



## ITEMS TO BE HEARD

### 0250 Judicial Branch

**Background.** The judicial branch is responsible for the interpretation of law, the protection of individual rights, the orderly settlement of all legal disputes, and the adjudication of accusations of legal violations. The branch consists of statewide courts (the Supreme Court and Courts of Appeal), trial courts in each of the state's 58 counties, and statewide entities of the branch (the Judicial Council, Judicial Branch Facility Program, and the Habeas Corpus Resource Center). The branch receives revenue from several funding sources, including the state General Fund, civil filing fees, criminal penalties and fines, county maintenance-of-effort payments, and federal grants.

Due to the state's fiscal situation, the judicial branch, like most areas of state and local government, received a series of General Fund reductions from 2008-09 through 2012-13. Many of these General Fund reductions were offset by increased funding from alternative sources, such as special fund transfers and fee increases. A number of these offsets were one-time solutions, such as the use of trial court reserves and for the most part, those options have been exhausted. In addition, trial courts partially accommodated their ongoing reductions by implementing operational actions, such as leaving vacancies open, closing courtrooms and courthouses, and reducing clerk office hours. Some of these operational actions resulted in reduced access to court services, longer wait times, and increased backlogs in court workload.

#### **Key Legislation**

AB 233 (Escutia and Pringle), Chapter 850, Statutes of 1997, enacted the Lockyer-Isenberg Trial Court Funding Act of 1997, to provide a stable and consistent funding source for the trial courts. Beginning in 1997-98, consolidation of the costs of operation of the trial courts was implemented at the state level, with the exception of facility, revenue collection, and local judicial benefit costs. This implementation capped the counties' general purpose revenue contributions to trial court costs at a revised 1994-95 level. The county contributions become part of the Trial Court Trust Fund, which supports all trial court operations. Fine and penalty revenue collected by each county is retained or distributed in accordance with statute.

AB 1732 (Escutia), Chapter 1082, Statutes of 2002, enacted the Trial Court Facilities Act of 2002, which provided a process for transferring the responsibility for court facilities from the counties to the state, by July 1, 2007. It also established several new revenue sources, which went into effect on January 1, 2003. These revenues are deposited into the State Court Facilities Construction Fund (SCFCF) for the purpose of funding the construction and maintenance of court facilities throughout the state. As facilities were transferred to the state, counties began to contribute revenues for operation and maintenance of court facilities, based upon historical expenditures.

SB 1407 (Perata), Chapter 311, Statutes of 2008, authorized various fees, penalties and assessments, which were to be deposited into the Immediate and Critical Needs Account (ICNA) to support the construction, renovation, and operation of court facilities.

SB 1021 (Committee on Budget and Fiscal Review), Chapter 41, Statutes of 2012, altered the administration of trial court reserves by limiting the amount of the reserves individual courts could carry from year to year to one percent of their funding and establishing a statewide reserve for trial courts, which is limited to two percent of total trial court funding.

In enacting these changes, the Legislature sought to create a trial court system that was more uniform in terms of standards, procedures, and performance. The Legislature also wanted to maintain a more efficient trial court system through the implementation of cost management and control systems.

**Budget Overview.** The Governor's proposed budget includes \$3.5 billion (\$1.6 billion General Fund and \$1.9 billion in other funds) in 2015-16 for the judicial branch. Of that amount, \$2.7 billion is provided to support trial court operations. The following table displays three-year expenditures and positions for the judicial branch; as presented in the Governor's budget.

(dollars in thousands)

<b>Program</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Supreme Court	\$43,440	\$45,973	\$46,095
Courts of Appeal	205,544	216,212	216,626
Judicial Council	132,966	139,869	134,678
Judicial Branch Facilities Program	236,110	338,528	360,704
State Trial Court Funding	2,437,488	2,538,117	2,701,598
Habeas Corpus Resource Center	12,588	14,233	14,242
<b>Total</b>	<b>\$3,067,136</b>	<b>\$3,292,932</b>	<b>\$3,473,943</b>
<b>Positions</b>	<b>1,693.9</b>	<b>1,962.8</b>	<b>1,962.3</b>

<b>Issue 1: Proposition 47</b>
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**Governor’s Budget.** The Governor's budget proposal includes \$26.9 million General Fund in 2015-16 and \$7.6 million in 2016-17 to support workload increases associated with the passage of Proposition 47 (The Safe Neighborhoods and Schools Act) by voters in 2014.

**Background.** In November 2014, the voters approved Proposition 47, which requires misdemeanor, rather than felony, sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing. The most recent three-judge panel status report on the reduction of the prison population shows that, as of January 14, 2015, 1,436 people had been resentenced and released from prison due to the changes brought by Proposition 47. The Governor’s budget estimates that the 2015-16 average daily state prison population will be reduced by approximately 1,900 inmates; as a result of resentencing and avoided new admissions. The chart on the following page provides detailed information on which crimes became misdemeanors following passage of the proposition.

Proposition 47 requires that state savings resulting from the proposition be transferred into a new fund, the Safe Neighborhoods and Schools Fund. The new fund will be used to reduce truancy and support drop-out prevention programs in K-12 schools (25 percent of fund revenue), increase funding for trauma recovery centers (10 percent of fund revenue), and support mental health and substance use disorder treatment services and diversion programs for people in the criminal justice system (65 percent of fund revenue). The Director of Finance is required, on or before July 31, 2016, and on or before July 31 of each fiscal year thereafter, to calculate the state savings for the previous fiscal year compared to 2013-14. Actual data or best estimates are to be used and the calculation is final and must be certified by the State Controller’s Office no later than August 1 of each fiscal year. The first transfer of state savings to the Safe Neighborhoods and Schools Fund will occur in 2016-17 after the Department of Finance (DOF) calculates savings pursuant to the proposition. Consequently, the budget does not reflect estimated 2015-16 savings related to Proposition 47.<sup>1</sup>

#### Reduction in Existing Penalties Under Proposition 47

Crime	Description
<b>Drug Possession</b>	Prior to the passage of Proposition 47, possession for personal use of most illegal drugs (such as cocaine or heroin) was a misdemeanor, a wobbler, <sup>2</sup> or a felony—depending on the amount and type of drug. Under current law, such crimes are now misdemeanors. The measure would not change the penalty for possession of marijuana, which was already either an infraction or a misdemeanor.

<sup>1</sup> 2015-16 Governor’s Budget Summary

<sup>2</sup> “A wobbler” refers to a crime that can either be charged as a misdemeanor or a felony.

<b>Grand Theft</b>	Prior to the passage of Proposition 47, theft of property worth \$950 or less was often charged as petty theft, which is a misdemeanor or an infraction. However, such crimes could sometimes be charged as grand theft, which is generally a wobbler. For example, a wobbler charge can occur if the crime involves the theft of certain property (such as cars) or if the offender has previously committed certain theft-related crimes. Proposition 47 limited when theft of property of \$950 or less could be charged as grand theft. Specifically, such crimes can no longer be charged as grand theft solely because of the type of property involved or because the defendant had previously committed certain theft-related crimes.
<b>Shoplifting</b>	Prior to the passage of Proposition 47, shoplifting property worth \$950 or less (a type of petty theft) was often a misdemeanor. However, such crimes could also be charged as burglary, which is a wobbler. Under the new law, shoplifting property worth \$950 or less will always be a misdemeanor and cannot be charged as burglary.
<b>Receiving Stolen Property</b>	Prior to the passage of Proposition 47, individuals found with stolen property could be charged with receiving stolen property, which was a wobbler crime. Under current law, receiving stolen property worth \$950 or less would always be a misdemeanor.
<b>Writing Bad Checks</b>	Prior to the passage of Proposition 47, writing a bad check was generally a misdemeanor. However, if the check was worth more than \$450, or if the offender had previously committed a crime related to forgery, it was a wobbler crime. Under the new law, it is a misdemeanor to write a bad check unless the check is worth more than \$950 or the offender had previously committed three forgery-related crimes, in which case they would remain wobbler crimes.
<b>Check Forgery</b>	Prior to the passage of Proposition 47, it was a wobbler crime to forge a check of any amount. Under the new law, forging a check worth \$950 or less is always a misdemeanor, except that it remains a wobbler crime if the offender commits identity theft in connection with forging a check.

Source: Legislative Analyst's Office, "Proposition 47 – Criminal Sentences. Misdemeanor Penalties. Initiative Statute." November 4, 2014.

**Questions for the Administration and the Judicial Council.** Please be prepared to address the following questions:

1. Please provide an update on the implementation of Proposition 47 in the courts, including the following information:
  - a. How many people have been resentenced to date?
  - b. How many more do the courts anticipate will need resentencing?
  - c. What is the status of resentencing requests in the counties?
  - d. Are there backlogs in some counties and not in others? If so, why? And, how does the Judicial Council plan to address those counties that are moving more slowly?
2. How many people, to date, have been released from jail or prison as a result of Proposition 47?

3. Has Finance begun developing a methodology for measure the state savings as a result of the proposition?
4. Does the Administration plan to include the impact of Proposition 47 on state hospitals in its savings calculation? Particularly, to the extent that there are fewer people who have been deemed to be Incompetent to Stand Trial and are eligible to receive treatment at a state hospital or people who are currently members of the *Coleman v. Brown* class who are receiving treatment in state hospitals or psychiatric programs, but who now have their crimes reduced to misdemeanors, will those savings should be included in the calculation?
5. Does the Administration plan to include the impact of the proposition on the state parole population in the savings calculation?

**Questions for the Legislative Analyst's Office.** Please be prepared to address the following question:

1. How much discretion is provided to the Legislature in determining how the state savings are distributed to the counties?

#### **Staff Comments.**

**Reframe the conversation.** The passage of Proposition 47 requires shifting the state's treatment of people using illegal drugs away from a criminal justice approach toward a public health/treatment approach. Similar to countries like Portugal, who have decriminalized illegal drug use, California now has the opportunity to focus on providing treatment, rather than punishment, for Californians using illegal drugs.

**Proposition 47 State Savings.** Under Proposition 47, the DOF is tasked with calculating the state savings associated with the sentencing changes. The Legislature was not given a role in overseeing how that calculation is determined. However, the Legislature may want to consider working closely with the Administration to ensure that all of the state savings are captured, including savings for prisons, state parole, and, if appropriate, from the Community Corrections Performance Incentives funding.

**Distribution of Proposition 47 Savings.** Proposition 47 does provide some discretion to the Legislature to determine how the savings are distributed. The law requires that 65 percent of the savings be given to the Board of State and Community Corrections to administer a grant program to public agencies aimed at supporting mental health treatment, substance abuse treatment, and diversion programs for the criminal justice system. The grants must emphasize programs that reduce recidivism of people convicted of less serious crimes. Beyond this general direction, there are no parameters set for how the grant program should be structured. Among other options, the Legislature could consider awarding grants to counties that have already begun using

innovative programs to improve outcomes and reduce recidivism. The Legislature could also consider requiring that grants be limited to counties that have instituted risk-assessments for their pre-trial populations or any other efforts that they deem are critical to improving the outcomes envisioned by public safety realignment. The savings will not be distributed until the 2016-17 budget. Therefore, the Legislature has time to determine exactly how the grant program should be structured.

**Most Savings Realized at the County Level.** Early estimates suggest that the savings at the state level will likely be between \$200 and \$300 million. However, it is important for the Legislature to remember that the bulk of the savings will be realized at the local level because, under realignment, most of the people charged with felonies that are now misdemeanors have been housed in county jails. Therefore, this savings should greatly relieve the pressure on counties who have been concerned about the funding level under realignment. Realignment funding is a constitutionally-protected revenue stream and does not go down when the number of people serving time for non-violent felonies is reduced. Ideally, counties will reinvest a portion of their savings in increasing access to community-based substance abuse treatment.

**Focus on Providing Quality Treatment and Rehabilitation for People Remaining in State Prison.** With the movement of low-level, non-violent offenders out of state prison and into county jails, the state is now faced with providing adequate treatment, support, and services for those serious and violent inmates who remain. No longer will there be a large population of non-violent offenders who work in fire camps, fill in-prison jobs, or attend training and education. The Legislature should consider working closely with the California Department of Corrections and Rehabilitation (CDCR) to ensure that programming is changed appropriately to address the complex needs of all of the people who remain in prison. Rehabilitation efforts can no longer focus primarily on those individuals who are easy to rehabilitate. As with the innovative grant program the Legislature created in last year's budget, the Legislature may wish to either expand or redirect programming funds to provide on-going support for organizations currently working in state prisons that provide treatment, and programs focusing on restorative justice and offender responsibility. The vast majority of people who are currently serving time in prison will eventually be released. It will benefit the state to provide the treatment and programs necessary to ensure a successful return to society for people leaving prison.

**Consider Further Reforms.** The Legislature may wish to take advantage of the current trends in sentencing to look further into sentencing enhancements and mandatory minimum sentences to see if there are other reforms that would be appropriate. For example, county sheriffs' have been concerned about realigned felons serving long sentences in county jails and the fact that they are not equipped to properly house and provide programming for people serving long terms. Given that the realigned population is made up of people who have been convicted of non-serious, non-violent, and non-sex-related crimes, the Legislature may wish to look at remaining sentencing laws that result in those types of people receiving sentences that extend ten, twenty, or thirty

years. There may continue to be areas of the penal code where the sentences continue outweigh the severity of the crimes committed.



**Issue 2: Trial Court Funding**

**Governor's Budget.** The Governor's budget proposes \$3.5 billion from all state funds to support the judicial branch in 2015-16, an increase of \$181 million, or 5.5 percent, above the revised amount for 2014-15. (These totals do not include expenditures from local revenues or trial court reserves.) Of the total budget proposed for the judicial branch in 2015-16, about \$1.6 billion is from the General Fund-43 percent of the total judicial branch budget. This is a net increase of \$141 million, or 9.7 percent, from the 2014-15 amount.

**Trailer Bill Proposal.** The Governor's budget proposes the adoption of trailer bill language that removes the sunset date for certain fines and fees. The fee increases included in the proposed trailer bill were initially intended to be temporary and are scheduled to sunset on July 1, 2015. In addition, the proposed language clarifies that Native American Day, which was designated as a state holiday, does not constitute a court holiday.

**Legislative Analyst's Office (LAO) Recommendations**

The Governor's budget includes no constraints for the use of the proposed General Fund augmentation for trial court operations. There is also no requirement for trial courts to report on how they will use the funds. As a result, the Legislature has no assurance that the proposed funds will be used in a manner consistent with its priorities—particularly given that the funds will impact individual trial courts differently. To help increase legislative oversight, the LAO recommends that the Legislature (1) provide courts with its priorities for how the funds from the augmentation should be spent, and (2) take steps towards establishing a comprehensive trial court assessment program.

**Define Legislative Funding Priorities for Use of Funds.** The LAO recommends that the Legislature (1) establish priorities for the use of the increased funding (such as for restoring access to court services) and (2) require that courts report on the expected use of the funds prior to allocation and on the actual use of the funds near the end of 2015–16. Such information would allow the Legislature to conduct oversight to ensure that the additional funds provided are used to meet legislative priorities.

**Establish Comprehensive Trial Court Assessment Program.** Currently, there is insufficient information to assess whether trial courts are using the funding provided in the annual budget effectively. This makes it difficult for the Legislature to ensure that (1) certain levels of access to court services are provided, (2) trial courts use their funding in an effective manner, and (3) funding is allocated and used consistent with legislative priorities. Thus, the LAO recommends that the Legislature take steps towards establishing a comprehensive trial court assessment program for the trial courts. While the judicial branch collects some statewide information related to certain measures of trial court performance (such as the time it takes a court to process its caseload), it

currently lacks a comprehensive set of measurements for which data is collected consistently on a statewide basis.

**Questions for the Judicial Council and the Administration.** The Judicial and the Administration should be prepared to address the following questions:

1. Please address the concerns raised by the LAO.
2. To the extent the Legislature wishes to augment the trial courts' budget in order to reopen court rooms or expand the hours for self-help offices, for example, how can we be sure the funding is directed toward those priorities?
3. Please describe the fines and fees included in the trailer bill and why the Administration is proposing to remove the sunset, rather than just extending the sunset on the increases?

**Issue 3: Dependency Counsel Caseloads**

**Dependency Court and the Child Welfare System.** Every year, approximately 500,000 children and their parents come into contact with the child welfare system due to allegations of abuse and neglect. Of those complaints filed on behalf of children, approximately 84,000 are substantiated and, roughly, 32,000 enter the foster care system. For children and families involved in the child welfare system, almost every significant decision is overseen by a judge, including the child's placement, involvement of family members, education, and health and mental health services. Every interested party in dependency court is represented by their own lawyer. The county child welfare department has its counsel, the parents have either one or two attorneys, depending on whether they are being represented together or separately, and children are represented by their own counsel.

**The Role of Dependency Counsel.** Given the impact of the decisions being made by the court on the child's behalf, the child's attorney plays a key role. The attorney has the primary responsibility of advocating for that child's protection, safety, and physical and emotional well-being. Serving dually as Guardian Ad Litem (pursuant to the Child Abuse Prevention and Treatment Act) and attorney, the duties of a child's attorney often go beyond the courtroom. The attorney ascertains and advocates for the needs of the minor both inside the courtroom and outside of the legal proceedings.

The attorney is tasked with advocating in court for needed resources and/or working outside of court to access appropriate placements and intervention services. Similarly, when youth in the child welfare system have unmet special education needs, are denied essential benefits or become involved with the juvenile justice system, their dependency attorneys are available to provide the court or necessary agency with any historical information or other relevant information.

A 2008 study from Chapin Hall Center for Children found that children with effective counsel were moved to permanency at about twice the rate of unrepresented children. A 2010 study found better court outcomes for Los Angeles County "crossover youth" (those who are dually involved in the Dependency and Delinquency Courts) when the youth had the involvement of their own attorneys.

As part of advocating for their client, a dependency lawyer is required to do certain things under state law. The attorney must:

- Advocate generally for the protection, safety, and physical and emotional well-being of the child.
- Advocate for the child's interests.
- Investigate to ascertain the facts, including the interviewing of witnesses such as parents, relatives, foster parents, teachers, school administrators.
- Make recommendations to the court concerning the child's welfare.
- Interview children older than four years old in such a way so as to be able to determine the child's wishes.

- Assess the child's well-being.
- Advise the court of the child's wishes.
- Not advocate for the return of the child to his or her parents if, to the best of his or her knowledge, return of the child conflicts with the protection and safety of the child.
- Investigate the interests of the child beyond the scope of the juvenile proceeding, and report to the court other interests of the child that may need to be protected by the institution of other administrative or judicial proceedings.

According to children's attorneys, these specific tasks are mandated against the backdrop of a lawyer's general ethical duty to represent a client zealously and diligently. If a lawyer does not do the things required of him or her by law, or if a lawyer more generally fails to represent a client zealously or diligently, the lawyer is subject to discipline, including disbarment.

**“Dependency Counsel Caseload Standards” Report.** SB 2160 (Schiff), Chapter 450, Statutes of 2000 required that: (1) counsel be appointed for children in almost all dependency cases; (2) appointed counsel have caseloads and training that ensure adequate representation; and, (3) the Judicial Council promulgate rules establishing caseload standards, training requirements, and guidelines for appointment of counsel for children. In 2001, the Judicial Council adopted a rule that mandated the appointment of counsel for children subject to dependency proceedings in all but the rarest of circumstances, and the council directed staff to undertake a study to identify caseload standards for attorneys representing both parents and children. The findings of that study were released to the Legislature in April 2008.<sup>3</sup> The study recommended that a maximum caseload of 141 clients per full-time dependency attorney be the base-level standard of performance and a maximum of 77 clients was identified as necessary for an optimal standard of performance. To date, the Judicial Council has not adopted a rule of court establishing caseload standards.

**Other Caseload Standards.** According to the National Association of Counsel for Children, a full-time child's attorney should represent no more than 100 clients at one time. This is the same standard recommended by the U.S. Department of Health and Human Services, as well as the American Bar Association. In 2008, the Dependency Counsel Caseload Standards report, discussed above, concluded that the basic caseload standard, where the attorney is supported by a social work investigator, is a maximum of 188 child clients, while the optimal standard is 77. In 2006, a federal court in Atlanta ruled that high caseloads violated children's constitutional right to zealous and effective legal representation. In response, the average caseloads for children's attorneys in Atlanta were reduced from 500 to 90. Several states, including Massachusetts, New York, Arkansas and Wyoming also have strict caseload standards.

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<sup>3</sup> Judicial Council of California, “Dependency Counsel Caseload Standards: A Report to the California Legislature.” April 2008.

**Dependency Counsel Caseloads and Budget.** The Judicial Council currently allocates \$103.7 million annually for dependency council. With court-appointed counsel providing representation to approximately 142,500 parents and children, the current level of funding is sufficient to provide representation at a rate of one attorney for approximately 250 clients. The Judicial Council does not collect the data necessary to determine the dependency counsel caseloads by county. However, they have provided an estimate, based on the number of child clients and the funding allocations. Below is a breakdown of the estimated caseloads for the largest counties in the state.

**Estimated 2014-15 Attorney:Child/Parent  
Caseloads**

<b>County</b>	<b>Attorney:Client Caseload</b>
Alameda	156
Contra Costa	164
Fresno	187
Kern	289
Los Angeles	328
Orange	173
Riverside	461
Sacramento	155
San Bernardino	418
San Diego	148
San Francisco	142
San Joaquin	155
Santa Clara	134
Tulare	456
Ventura	500
<b>Statewide Average</b>	<b>248</b>
<b>Minimum Standard</b>	<b>188</b>

Source: Judicial Council

**Dependency Counsel Funding.** The Administration commits to working with the Judicial Council to develop a caseload-based allocation methodology and explore ways to reduce the current caseloads for dependency counsel.

**Staff Comments.**

**Should funding for dependency counsel assigned to children be augmented?**  
Given the role that children's attorneys play in determining their futures while they are in the child welfare system, the Legislature may want to consider whether or not the existing funding for dependency counsel is sufficient.

**Should the trial court allocation formula be revised?** The estimated caseloads provided by the Judicial Council show a substantial difference in funding levels and caseload ratios across counties. Even among the largest counties, the ratio varies from 500-to-1 in Ventura County to 134-to-1 in Santa Clara County. While the Governor has committed to working with the Judicial Council to develop a caseload driven allocation methodology, the Legislature may want to consider directing staff and LAO to work with the Administration and Judicial Council on that effort. Alternatively, the Legislature may want to consider requiring the Administration and the Judicial Council to report on their progress during budget subcommittee hearings this spring.

**Should there be statutorily required caseload caps for children's attorneys?** As noted above, SB 2160 (Schiff), Chapter 450, Statutes of 2000, required the adoption of a rule of court establishing appropriate caseload standards. That rule has not been adopted in the last 15 years. Given the failure of the Judiciary to act on that statutory requirement, the Legislature may want to consider placing the appropriate caseload standards in statute.

**Questions for the Judicial Council.** The Judicial Council should be prepared to address the following questions:

1. Several months ago, budget committee staff asked for data on each county's dependency counsel caseload. Do you have that data available for the committee?
2. The committee has received information suggesting that in some counties the attorneys for the parents have smaller caseloads than the attorneys assigned as counsel for the children. Can you please provide any data you may have that shows the dependency counsel caseload broken out by attorney cases per parent and attorney cases per child?
3. Please explain to the committee why trial courts may be choosing to direct more funding toward parents' attorneys than toward children's attorneys?
4. Please describe the Judicial Council's efforts to address the caseload/funding discrepancies among counties.
5. As noted in the agenda, 15 years have passed since legislation was passed that required the Judicial Council to adopt a rule of court establishing caseload standards for dependency counsel. Please explain to the committee why the council has failed to adopt any such standard?

**Issue 4: Recidivism and Reduction Fund – Collaborative Courts**

**Background.** The 2014 budget included \$15 million in Recidivism Reduction Fund money for the Judicial Council to establish a competitive grant program with the trial courts designed to provide funding for the operation of programs and practices known to reduce offender recidivism. These programs and practices can include risk and needs assessments, evidence-based practices, and programs specifically designed to address the needs of mentally ill and drug addicted offenders (i.e. collaborative courts such as mental health courts and drug courts).

**Governor’s Budget.** The Governor’s budget includes clean-up budget bill language for the 2014 budget act clarifying that funding for the competitive grant program must be encumbered by June 30, 2017.

**Questions for the Judicial Council.** DSH should be prepared to provide an update on the grant program and address the following questions:

1. How many courts expressed interest in the grant program and how much total funding was requested?
2. Have you determined which grants will be awarded? If so, how many counties will receive grants and how will they be using the funding?

## **9285 Trial Court Security**

### **Issue 5: Trial Court Security Funding**

**Governor's Budget.** The Governor's budget requests an additional \$1 million for an ongoing General Fund investment of \$2 million per year.

**Background.** As part of public safety realignment in 2011, trial court security and a constitutionally-protected revenue stream to fund those security costs were shifted to the county sheriffs. The Governor's January budget assumes that there will be \$535.1 million in realigned revenue available for trial court security in 2015-16. In addition to that base amount, the budget assumes that there will be an additional \$15.2 million in growth funding. That constitutes a \$32.5 million increase over the 2013-14 funding level.

**The 2014 Budget.** The 2014 budget included an increase of \$1 million General Fund to address potential increased court security costs associated with new courthouse construction. In order to receive additional funding, counties are required to demonstrate that they have an increased need for security staff.

**Trailer Bill Language.** In addition to the \$1 million in funding, the budget included statutory language limiting eligible courts that have an occupancy date on or after October 9, 2011. Based on the current list of construction projects, there are potentially 39 courthouses that may be able to argue the need for a General Fund augmentation for trial court security. The language further outlined a process the courts would need to go through in order to establish that they had increased trial court security costs as a result of construction.

**Legislative Analyst's Office (LAO).** The LAO recommended rejecting the initial proposal during the May Revision process last year. They acknowledged that some courts may be experiencing an increased trial court security need; they were unable to determine whether there was a statewide net increase in the cost of court security. For example, they note that a number of trial courts closed courtrooms and/or courthouses to address their ongoing budget reductions—thereby reducing the level of service required and generating cost savings that could be redirected to courts with increased costs. In addition, the 2011 realignment legislation did not envision the state providing each county funding based on its actual court security costs. As such, they argued, the proposal is not consistent with the original intent of the legislation.

**Questions for the Administration.** The Department of Finance should be prepared to address the following question:

1. How many courthouses do you think the state will ultimately be augmenting with General Fund?



2. Do you anticipate increasing the funding for each individual county each year or is it a fixed sum?
3. How do you propose ensuring that the money is not used to supplant realignment revenue that is designated for this purpose?
4. Please provide the committee with a list of counties that have requested a general fund augmentation, the amount of each request, the trial court security revenue each county receives and is scheduled to receive in 2015-16, and the amount of growth funding each county receives and is projected to receive in 2015-16.

## **5227 Board of State and Community Corrections**

Originally, the Board of Corrections (BOC) was established in 1944 as part of the state prison system. Effective July 1, 2005, as part of the corrections agency consolidation, the Corrections Standards Authority (CSA) was created within the California Department of Corrections and Rehabilitation (CDCR) by bringing together the BOC and the Correctional Peace Officers Standards and Training (CPOST) Commission. The reorganization consolidated the duties and functions of the BOC and CPOST and entrusted the CSA with new responsibilities.

Legislation associated with the 2011 budget act abolished the CSA and established the Board of State and Community Corrections (BSCC or board) as an independent entity, effective July 1, 2012. The BSCC absorbed the previous functions of the CSA as well as other public safety programs previously administered by the California Emergency Management Agency (CalEMA). Specific statutory changes included:

- Abolishing the CSA within CDCR and established the BSCC as an independent entity.
- Transferring the powers and duties of the CSA to the BSCC.
- Transferring certain powers and duties from the California Emergency Management Agency (CalEMA) to the BSCC.
- Eliminating the California Council on Criminal Justice and assigning its powers and duties to the board.

Assuming the responsibilities of the CSA, the BSCC works in partnership with city and county officials to develop and maintain standards for the construction and operation of local jails and juvenile detention facilities and for the employment and training of local corrections and probation personnel. The BSCC also inspects local adult and juvenile detention facilities, administers funding programs for local facility construction, administers grant programs that address crime and delinquency, and conducts special studies relative to the public safety of California's communities.

As part of the 2011 budget act legislation, the BSCC was tasked with providing statewide leadership, coordination, and technical assistance to promote effective state and local efforts and partnerships in California's adult and juvenile criminal justice system. Particularly, the BSCC coordinates with, and assists local governments, as they implement the realignment of many adult offenders to local government jurisdictions that began in 2011. The intent is for the BSCC to guide statewide public safety policies and ensure that all available resources are maximized and directed to programs that are proven to reduce crime and recidivism among all offenders.

The BSCC is an entity independent from CDCR. However, although a local law enforcement representative chairs the BSCC, the Secretary of the CDCR serves as its vice chair. The BSCC consists of 13 members, streamlined from both its immediate predecessor (CSA), which had 19 members, and its former predecessor (BOC), which had 15 members. Members reflect state, local, judicial, and public stakeholders. The current members of the BSCC are:

Linda Penner	Chair
Jeffrey Beard	Secretary of CDCR
Daniel Stone	Director of Adult Parole Operations, CDCR
Dean Growdon	Sheriff of Lassen County
Geoff Dean	Sheriff of Ventura County
Susan Mauriello	County Administrative Officer, Santa Cruz County
Michelle Brown	Chief Probation Officer, San Bernardino County
Michael Ertola	Chief Probation Officer, Nevada County
William R. Pounders	Retired Judge, Los Angeles County
David L. Maggard Jr.	Chief of Police, City of Irvine
Scott Budnick	Founder of the Anti-Recidivism Coalition
David Steinhart	Director of Juvenile Justice Program Commonweal
Mimi H. Silbert	Chief Executive Officer and President of Delancey Street Foundation

The Governor's Budget proposes total funding of \$171.1 million (\$80.7 million General Fund) and 88.8 positions for the BSCC.

*(dollars in millions)*

	<b>Funding</b>	<b>Positions</b>
Administration, Research and Program Support	\$ 4.8	26.0
Corrections Planning and Grant Programs	139.6	28.8
Local Facilities Standards, Operations, and Construction	3.9	21.0
Standards and Training for Local Corrections	22.9	13.0
<b>BSCC Total</b>	<b>\$171.1</b>	<b>88.8</b>

**Issue 6: Post Release Community Supervision Funding**

**Governor's Budget.** The Governor's budget proposes to provide county probation departments with a \$16 million General Fund increase to address the temporary increase in the average daily population of offenders on Post Release Community Supervision (PRCS).

**Background.** Pursuant to the 2011 Realignment, CDCR inmates with non-violent and non-serious offenses are released from state prison into PRCS under the jurisdiction of counties. While the initial intent was to retain these offenders on parole until they otherwise would have been released, law enforcement concurs that it is in the best interest of public safety for these offenders to be under the supervision of one jurisdiction for the length of their supervision term. Therefore, offenders eligible for PRCS immediately begin their supervision under the jurisdiction of county probation.

The requested \$16 million General Fund for county probation departments would support the temporary increase in the average daily population of offenders on PRCS as a result of the two additional population reduction measures ordered by the Three Judge Panel, and implemented on January 1, 2015. This proposal would augment the existing \$6.7 million appropriation for increased credit earning for non-violent, non-sex registrant second-strike offenders from 20 percent to 33.3 percent (which began on February 10, 2014). The proposed augmentation would increase total temporary funding to \$22.7 million.

Listed below are the two new population reduction measures, the proposed funding for implementing those measures, and the assumed population increases in 2015-16.

1. New parole determination process for eligible non-violent, non-sex registrant second-strike offenders who have completed 50 percent of their sentence (Effective January 1, 2015):
  - \$13.4 million
  - 1,068 ADP
2. Two-for-one credits for minimum custody inmates currently earning day-for-day credits (Effective January 1, 2015):
  - \$2.7 million
  - 225 ADP

**Questions for the Administration.** The Administration should be prepared to address the following questions:

1. Has Proposition 47 impacted PRCS populations and, if so, how?

2. This funding is being requested to address a temporary increase in the average daily population of offenders on PRCS. When is the temporary increase projected to subside?

**Issue 7: City Law Enforcement Grants**

**Governor's budget.** The Governor's budget includes a request for \$40 million General Fund to continue the three-year City Law Enforcement Grants program for a fourth year.

**Background.** As part of the 2012–13 budget, the Governor proposed and the Legislature approved a three-year grant program (from 2012-13 through 2014-15) to provide state General Fund support to city law enforcement, primarily police. At the time the funding was proposed, the Administration indicated that the intent was to partially offset budget reductions that city law enforcement departments were facing due to the recession.

The funds were initially approved at \$24 million each year, and then were increased to \$27.5 million in 2013-14, and again to \$40 million in 2014-15. The Legislature approved the increased 2014-15 grant amount based on the understanding with the Administration that 2014-15 would be the final year for this grant program.

**Legislative Analyst's Office (LAO).**

**Proposal Lacks Sufficient Justification.** The Governor's proposal to provide \$40 million to extend the police grants for an additional year lacks justification for the following reasons:

- ***Need To Address Recession–Era Cuts Unclear.*** The Legislature authorized a three-year program as a stopgap measure to help city law enforcement address budget cuts resulting from the recession. However, the recession ended five years ago and, in that time, local revenues appear to have recovered to pre-recession levels. It is unclear how many additional years past the end of the recession the Governor thinks such funding is appropriate.
- ***Funds Unlikely to Make Significant Impact.*** The funding proposed is only a small fraction of total city police budgets and is unlikely to have a significant effect on the level of service provided by city law enforcement.

**LAO Recommendation.** In view of the above, the LAO recommends that the Legislature reject the Governor's proposal to provide \$40 million in city law enforcement grants in 2015-16.

**Questions for the Administration.** The Administration should be prepared to address the following question:

1. Please provide additional justification for continuing this grant program for an additional year.
2. Do you anticipate that this will become an on-going General Fund commitment?

3. Please provide the committee with a breakdown of which police departments received funding each year, how much they received, and how that funding was used.

**Issue 8: Jail Construction Financing**

**Governor's Budget.** The Governor's proposed budget included a request for \$298,000 General Fund and 2.0 positions to perform the state's workload related to administering financing programs for local criminal justice facility construction projects.

**Trailer Bill.** The proposed budget also includes placeholder trailer bill language allowing the BSCC to shift unused funding from the AB 900 phase one projects to AB 900 phase two projects and SB 1022 projects.

**Background.** Since 2007, the Legislature has approved three measures authorizing a total of \$2.2 billion in lease-revenue bonds to fund the construction and modification of county jails. Assembly Bill 900 (Solorio), Chapter 7, Statutes of 2007, provided \$1.2 billion to help counties address jail overcrowding. SB 1022 (Committee on Budget and Fiscal Review), Chapter 42, Statutes of 2012, authorized an additional \$500 million to help counties construct and modify jails to accommodate longer-term inmates who would be shifted to county responsibility under the 2011 realignment of lower-level offenders. Finally, in 2014, SB 863 (Committee on Budget and Fiscal Review), Chapter 37, Statutes of 2014, provided \$500 million to help counties fund construction projects designed to improve housing with an emphasis on expanding program and treatment space to manage the adult offender population under its jurisdiction.

The Board of State and Community Corrections (BSCC) is responsible for managing the jail construction funding program authorized by these measures, which includes developing requests for proposals, rating applications, awarding and administering funds, and overseeing compliance with the conditions of the awards. The State Public Works Board (SPWB) is tasked with issuing the bonds, as well as approving and overseeing the scope and cost of approved projects.

**Lease-Revenue Bond Financing.** Bond financing is a type of long-term borrowing that state and local governments frequently use to raise money, primarily for long-lived infrastructure assets. They obtain this money by selling bonds to investors. In exchange, they promise to repay this money, with interest, according to specified schedules. The interest the state has to pay investors on the bonds it issues for public infrastructure is exempt from their federal and state income taxes, which makes the state's interest costs on the bonds less than it otherwise would be. Unlike general obligation bonds backed by the full faith and credit of the state, lease-revenue bonds are not, and they may be authorized by law without voter-approval.

**AB 900 (Solorio), Chapter 7, Statutes of 2007.** AB 900, as amended by subsequent legislation, authorized funding in two phases. Under the first phase, AB 900 required counties applying for a grant to fund at least 25 percent of the construction project's costs. In deciding which counties would be awarded funding under the first phase, the bill required the state to give preference to those counties that agreed to help site a state reentry facility or provide mental health treatment to former parolees. (The



Legislature later eliminated funding for the construction of state reentry facilities, and counties who received awards were not required to fulfill this requirement.) Counties receiving funds under the second phase of AB 900 must provide a 10 percent match, and preference for awards was given to counties who committed the most inmates to state prison in 2010. Under both AB 900 and SB 1022 (discussed below), counties with populations of less than 200,000 can request an exemption from the statutorily-required match.

The BSCC has approved 20 jail construction projects under the first two phases of AB 900. The BSCC estimates suggest that these construction projects will result in a total of about 10,000 jail beds, as well as make improvements at existing jails. Some of the 10,000 beds will be replacements for existing beds and do not result in additional capacity.

**SB 1022 (Committee on Budget and Fiscal Review), Chapter 42, Statutes of 2012.**

SB 1022 authorized an additional \$500 million in lease-revenue bonds to fund the construction of local jail facilities. As with AB 900, this legislation required BSCC to administer the program, and consideration was given to counties that are seeking to replace existing compacted, outdated, or unsafe housing capacity or seeking to renovate existing buildings or build new facilities that provide adequate space for the provision of treatment and rehabilitation services, including mental health treatment. In addition, the legislation specified that a participating county could only add capacity using this authority if it clearly documented an existing housing capacity deficiency and does not lease housing capacity to any other public or private entity for 10 years. As with AB 900, counties applying for jail construction funding under SB 1022 will have to provide a 10 percent match, and awards will be given to counties who are determined by BSCC to be the most prepared to successfully proceed with their projects in a timely manner.

Thirty-six counties applied for construction funding through SB 1022, asking for a total of \$1.3 billion in funding. Of those proposals, 15 counties were awarded funding on January 16, 2014.

**SB 863 (Committee on Budget and Fiscal Review), Chapter 37, Statutes of 2014.**

This legislation authorized \$500 million for lease-revenue bond financing for county jail construction projects designed to improve correctional housing, with an emphasis on expanding program and treatment space to manage the adult offender population under its jurisdiction. Under this grant program, counties seeking financing are required to provide a description of the county's current risk-assessment-based pretrial release program. In addition, counties are prohibited from using funding to significantly increase jail capacity. Funding consideration is required to be given to counties that are seeking to replace compacted, outdated, or unsafe housing capacity or are seeking to renovate existing or build new facilities that provide adequate space for the provision of treatment and rehabilitation services, including mental health treatment.

**Questions for the BSCC.** BSCC should be prepared to provide an update on all three construction programs and address the following question:

1. How many counties do you anticipate will be applying for funding?
2. Has the BSCC done an evaluation of existing county jail facilities to determine the total number of jail beds in the state and the level of need for renovating, updating, or replacing existing jail facilities?
3. Do you have an estimate of how much funding you plan on shifting from the phase one AB 900 projects to the phase two projects and the SB 1022 projects? Please describe why the funds were not expended in phase one.
4. How many staff do you currently have dedicated to managing the current projects? Please describe their on-going role in the projects and their workload. Why do you believe two more permanent positions are necessary?

## **8120 Commission on Peace Officer Standards and Training (POST)**

The Commission on Peace Officer Standards and Training (POST) was established by the Legislature in 1959 to set minimum selection and training standards for California law enforcement. The POST organization has more than 130 staff members and functions under the direction of an executive director appointed by the commission.

POST funding comes from the Peace Officers' Training Fund (POTF). The POTF receives money from the State Penalty Assessment Fund, which in turn receives money from penalty assessments on criminal and traffic fines. Therefore, the POST program is funded primarily by persons who violate the laws that peace officers are trained to enforce. With the exception of a \$3.2 million General Fund augmentation last year, generally no tax dollars are used to fund the POST Program.

The POST program is voluntary and incentive-based. Participating agencies agree to abide by the standards established by POST. More than 600 agencies participate in the POST program and are eligible to receive the commission's services and benefits, which include:

- job-related assessment tools
- research into improved officer selection standards
- management counseling services
- the development of new training courses
- reimbursement for training, and
- quality leadership training programs

POST also awards professional certificates to recognize peace officer achievement and proficiency.

### **POST at a Glance:**

- POST services 58 County Sheriffs' Departments; 350 municipalities; 605 law enforcement agencies; 80,000 sworn officers, 5,000 reserve officers, and 8,000 dispatchers.
- POST ensures any mandated training enacted by the Legislature meets the needs of ALL California law enforcement (from small to large agencies).
- Post provides timely reimbursement funding to agencies enabling peace officers and public safety dispatchers to receive training.
- Provides course certification, essential training workshops.

POST is responsible for raising the competence level of law enforcement officers in California by establishing minimum selection and training standards, improving management practices, and providing financial assistance to local agencies relating to the training of law enforcement officers.

The Governor's 2015-16 budget proposes funding of \$57.2 million (special funds) for POST operations in 2015-16. The proposal also includes authority for 86.1 positions, reducing the 2014-15 level of staffing by approximately one-third.

(dollars in thousands)

<b>Funding</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund	\$ -	\$3,200	\$ -
Peace Officers' Training Fund	53,632	53,730	55,199
Other Funds	396	2,459	1,959
<b>Total</b>	<b>\$54,028</b>	<b>\$59,389</b>	<b>\$57,158</b>
<b>Positions</b>	<b>117.5</b>	<b>123</b>	<b>86.1</b>

**Issue 9: POST Training Update****Background**

POST regulations requires that every peace officer, unless exempt, complete the regular basic training course before being assigned duties which include the exercise of peace officer powers.

In addition, POST regulations requires continuous professional training (CPT) for certain peace officer and dispatcher personnel who are employed by POST participating departments. The purpose of CPT is to maintain, update, expand, and/or enhance an individual's knowledge and/or skills. Officers must complete 24 hours of CPT every two years.

Of those 24 hours, 12 hours must be in what POST refers to as perishable skills training; four hours of arrest and control, four hours of driver training/awareness or driver simulator, and four hours of tactical firearms or force option simulator. POST also requires two hours of tactical or interpersonal communication. The remaining 10 hours of training topics are at the discretion of the agencies.

***Mental Health and Developmental Disability Specific Training.*** According to POST, they have long recognized the importance of law enforcement training in the area of mental illness and developmental disability issues.

In July 1990, in response to the legislative mandate of Penal Code Section 13519.2, POST developed training for in-service law enforcement on interaction with persons with developmental disabilities or mental illness.

POST also developed *Learning Domain 37: People with Disabilities* and added it as mandated content in all basic courses. That training is required for all academy recruits, and they must show proficiency in differentiating between behavior indicative of a mental health issue, or an unseen disability, as a condition of course completion. This is done through evaluated role play scenarios.

In February 2002, POST developed the course *Police Response to People with Mental Illness or Developmental Disability*. This course was made available to law enforcement instructional teams throughout California. With this course POST made available student handbooks and ready reference material for officers to carry with them in the field.

Since 2002, POST has produced and distributed seven training videos pertaining to mental health and developmental disabilities issues. The most recent was released in August 2013.

This month, POST started production on a video to meet the Penal Code 13515.30 mandate for interaction with persons with mental illness and developmental disabilities living in state mental hospitals or state developmental centers. This video will be released in fall of 2014.

Finally, POST has reviewed and certified 36 courses on this topic that are currently presented by various law enforcement agencies and private presenters throughout the state.

***In-Service Training.*** For in-service training, a majority of agencies develop their own courses and submit them to POST for review and certification. If the course is developed to fulfill a legislative mandate, POST establishes the minimum content requirement. All courses certified must contain that minimum content.

In response to a critical identified training need, or legislative directive, POST staff will develop training in-house. To accomplish this, POST brings together subject matter experts who represent all disciplines related to the topic. This includes law enforcement, academia, community advocates, ombudsmen, legal, medical, and any other identified association or person(s) who are identified as critical to create relevant and effective training.

The agencies assume the responsibility to provide the training to their employees that meet legislative and regulatory requirements.

**Questions for the Administration.** The commission should be prepared to address the following questions:

1. How much of the POST training is done online or through video, rather than in-person, particularly in terms of CPT training?
2. How does POST evaluate the effectiveness of its training? Particularly, how do you evaluate on-line or video training to determine whether or not it is effective?
3. Does POST keep track of incidents throughout the state, primarily in terms of the treatment of individuals with mental illness and developmental disabilities, and evaluate whether or not additional training needs to be conducted in those specific areas?
4. How often do you review your training requirements to determine whether or not they are effective or the correct types of training to adequately prepare new peace officers for their jobs?
5. Does POST provide any conflict resolution training in order to assist officers in defusing potentially dangerous and violent situations?

6. Communities throughout the nation are using crisis intervention team models as a more effective means of dealing with individuals with mental illness. These teams are comprised of specially trained officers. In particular, the Los Angeles Police Department has a specialized mental evaluation unit that is partially staffed by mental health clinicians. Does POST provide any specialized training for police departments that may be interested in using this approach?
  
7. Does POST provide any training in unconscious biases, community policing, or other training that is designed to reduce the number of incidents that result in unarmed people (primarily people of color) either being injured or killed by local police officers?

**Issue 10: Peace Officer Training Fund (POTF) Insolvency**

**Governor's Budget Proposals.** The Governor proposes reducing the Commission on Peace Officer Standards and Training's administration budget by \$5.2 million and 36.9 positions (a 30 percent staffing reduction). The administration has not provided details on the types of positions that would be eliminated or the associated impacts to the services provided by POST. According to the administration, such details will be provided to the Legislature later in the budget process.

In addition, the Governor proposes a debt amnesty program for individuals with past-due, court-ordered debt from fines associated with traffic infractions and specified misdemeanors. The Governor's budget assumes \$12 million in additional revenue will be available due to the amnesty program. The 18-month amnesty program would be administered by courts and counties and would provide a 50 percent discount for debt that was due prior to January 1, 2013.

Despite the ongoing shortfall in the POTF, the Governor proposes an \$8.6 million increase in POST expenditures on local law enforcement training from the POTF in 2015-16. This increase would restore reductions made previously to training provided by contractors, certain reimbursements, and some workshops. The reduction in POST's administrative budget and the increase in training expenditures would result in a net increase of expenditures from the POTF in 2015-16. Under the Administration's plan, total expenditures from the POTF would exceed revenues by \$3.5 million in 2015-16, despite the assumed \$9.9 million increase in revenues associated with the traffic amnesty. Under the Governor's plan, this shortfall would be addressed by further reducing the balance of the POTF.

Finally, to address the steady decline in revenue deposited into the State Penalty Fund (SPF), the Governor's budget proposes to zero-base budget all expenditures from the SPF—including expenditures on POST and BSCC programs. This analysis would examine how the programs are using their share of SPF revenue. The Administration has not indicated when this analysis would be complete or how it proposes using the results of the analysis.

**Interaction Between the State and Local Law Enforcement.** The state works closely with local public safety agencies in several ways to create a cohesive criminal justice system. First, the state establishes the body of laws that define crimes and specify punishments for such crimes. Local governments are generally responsible for enforcing these state laws. For example, cities and counties fund the police and sheriff departments that arrest individuals for violating state law. In addition, state and local agencies each have certain responsibilities for managing the population of offenders who violate the law and enter the correctional system.

While the state has historically had a significant role in managing the correctional population, the state's role in policing communities is more limited. The majority of funding for local police activities comes from the local level. Accordingly, most decisions



about how to administer police services are also made at the local level. The state's role in local police activities has generally been to establish standards for the selection and training of peace officers. Specifically, the Commission on Peace Officer Standards and Training (POST) sets minimum selection and training standards for California law enforcement, develops and runs training programs, and reimburses local law enforcement for training. In addition, the Board of State and Community Corrections (BSCC) operates the Standards and Training for Local Corrections Program, which includes developing minimum standards for local correctional officer selection and training, certifying training courses for correctional staff, and reimbursing local correctional agencies for certain costs associated with the training and standards. The state also provides grant funding for various purposes and a limited amount of operational assistance.

### **Legislative Analyst's Office (LAO) Concerns**

***Governor's Budget Raises Questions About the State Role in Funding Local Law Enforcement.*** The Governor's budget includes a couple of proposals related to local law enforcement that raise questions about what the state's role should be in funding these activities. The budget proposes to reduce the number of state staff at POST. At the same time, the budget proposes to increase state payments made directly to local law enforcement agencies, primarily city police. Given the limited amount of funding the state provides to local law enforcement—particularly relative to the total spent on local law enforcement from all fund sources—the Legislature may want to consider whether the state should consider focusing its limited dollars on state-level priorities and responsibilities. For example, the Legislature might determine that the state's primary role in local law enforcement should be to provide standards and training to ensure that peace officers receive consistent and high-quality training.

### **LAO Recommendations**

***Reject Proposed Traffic Amnesty Program.*** The LAO finds that the Administration's revenue estimates appear too high, will not address the long-term insolvency of the POTF and may negatively impact the collection of court-ordered debt in the future. Thus, the LAO recommends the Legislature reject the Governor's proposed traffic amnesty program.

***Consider Comprehensive Evaluation of Funds Receiving Court-Ordered Debt Revenue.*** The Governor's proposal raises a much larger issue regarding the decline in court-ordered debt in recent years and its impact on various state and local funds that benefit from such revenue. Accordingly, the Legislature may want to consider a more comprehensive evaluation of how court-ordered debt revenue should be used and distributed. For example, the Legislature may decide that certain state or local programs have greater need than others or that certain programs or specific program activities should no longer be funded.

**Restructure Court-Ordered Debt Collection Process.** Given the decline in fine and fee revenue deposited in various state and local funds and the large outstanding balance of court-ordered debt, the LAO recommends that the Legislature restructure the existing court-ordered debt collection process.

**Restructure Proposed Changes to POTF Expenditures.** The LAO recommends that the Legislature restructure the Governor's proposal to reduce expenditures from the POTF by taking a more balanced approach, as follows:

**Reject Proposed Expenditure Increase.** The LAO recommends rejecting the proposed \$8.6 million increase in POTF expenditures. This would result in POST continuing to suspend certain training reimbursements (such as for overtime and travel), limiting the number of training courses provide through contracts, and postponing some workshops.

**Make Targeted Reductions.** The LAO recommends rejecting the proposed 30 percent staffing reduction to POST. Specifically, the LAO recommend further reducing the number of training courses provided through contracts and to reevaluate the training reimbursement structure. Due to the lower level of workload POST will have as a result of these reductions, the LAO also recommends that POST make targeted administrative reductions. For example, the Legislature could eliminate the 10 positions that are currently vacant as well as any positions that would no longer be needed following a reduction in the training expenditures described above. The LAO recommends that POST provide the Legislature with an updated expenditure reduction plan as part of the Governor's May Revision.

**Direct POST to Consider Fees.** Finally, the LAO recommends directing POST to evaluate whether it would make sense to charge fees for some of its services and provide a report to the Legislature no later than January 10, 2016, on its findings. Charging fees for some services would provide additional revenue to stabilize funding for POST and mitigate the need for greater reductions in future years in the event that POTF revenues continue to decline.

**Approve Proposal to Zero-Base Programs Supported by the SPF.** Given the declining revenues available to programs supported by the SPF, it is in the state's best interest to determine whether each program funded by the SPF is using its limited resources cost-effectively and aligned with state priorities. As such, the LAO recommends the Legislature approve the Governor's proposal to zero-base budget the programs supported by the SPF. They also recommend that the Legislature require that the Administration submit a report of its analysis with the Governor's January budget proposal for 2016-17, in order to allow for meaningful discussions during the next budget process. This analysis would help the Legislature ensure that SPF resources are used to support those programs or program activities it deems to be most important. In its examination of various program expenditures, the analysis could also help identify

whether additional funds supported by the SPF will be facing insolvency in the near future.

**Questions for the Administration.** The Administration should be prepared to address the following questions:

1. Have you identified which positions will be reduced and which functions POST will no longer perform under this proposal?
2. When can the Legislature expect a more detailed proposal from the Administration?