

# COMMONWEAL

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## CALIFORNIA BUDGET REPORT

**May 30, 2018--**

### **Youth justice proposals loom large as the FY 18/19 state budget takes shape**

The Governor's May Budget revision confirmed a \$9 billion revenue surplus for FY 2018/19, due mainly to rising income tax payments derived from capital gains and a strong economy. The Governor recommended parking a large share of the surplus in rainy day and reserve funds, but lawmakers and lobbyists have other ideas--- namely, funding programs and services to meet expanding demand for education, health, welfare and justice system programs.

On May 25<sup>th</sup>, budget subcommittees in both houses closed out their hearings, with final approvals of items recommended for inclusion in the budget bill that is due on the Governor's desk by June 15. The two-house Budget Conference Committee meets starting May 30 to iron out differences between the Senate and Assembly versions. Below we cover some of the key youth justice items that survived the subcommittee process and are headed for review by the Budget Conference Committee.

✓ **Youth Reinvestment Fund-- \$100 million for community based juvenile justice programs**

A strong and vocal coalition of youth advocates spearheaded a proposal to spend \$100 million on local juvenile justice programs targeted to defense, Native-American youth and community-based diversion. Their proposal— advanced under the leads of Assembly Member Reginald Jones Sawyer (D- Los Angeles) and Senator Steven Bradford (D. – Gardena)— was aired in April special hearings of the Assembly and Senate budget subcommittees on public safety. In those hearings, youth justice advocates argued that the juvenile justice system over-relies on formal prosecution and incarceration, characterized as costly and ineffective approaches to youthful offending. Instead, advocates argued, lawmakers should deploy resources to community-based organizations that can divert youth from needless justice system engagement while addressing their developmental and skill-building needs. The reinvestment advocates take aim on the existing state-local juvenile justice grant programs— some \$280 million per year in JJCPA and YOBG funds— as salary supports for probation staff with not enough going into community-based youth services. Under the Youth Reinvestment

#### **2018 Budget Conference Committee**

**SENATE:** Holly Mitchell (D-LA), Chair; Nancy Skinner (D-Berkeley), Richard Roth (D–Riverside), Jim Nielsen (R- Red Bluff), John Moorlach (R- Costa Mesa)

**ASSEMBLY:** Phillip Ting (D- SF), Chair; Joaquin Arambula (D–Fresno), Richard Bloom (D-Santa Monica), Rocky Chavez (R-Oceanside), Jay Obernolte (R- Big Bear Lake)

proposal, \$100 million would be awarded in competitive grants by the Board of State and Community Corrections (BSCC) in three broad categories:

- \$15 million to pay for social workers to support local defense counsel in developing appropriate, local dispositions for justice system youth;
- \$10 million to support diversion services for Native American youth, and
- \$75 million to develop and support an array of diversion-from-prosecution programs and services anchored in local community-based organizations.

The Assembly Budget Subcommittee approved the \$100 million proposal “as is”. The Senate subcommittee approved the amount but changed the allocation to designate \$50 million for community-based “reentry housing efforts”, \$35 million for diversion and reentry programs, and \$15 million for social workers to work with public defenders. These differences and the total amount will be reviewed in the Budget Conference Committee. And of course, it remains to be seen what the Governor’s position will be. He could, for example, ask budget conferees to alter the amount, and he could ultimately reduce or veto the appropriation from the budget bill finally sent to him by the Legislature.

✓ ***California Division of Juvenile Justice—Young Adult Offender Pilot Program, age increase***

In January the Administration proposed modifying the terms of confinement in the state youth corrections system (Division of Juvenile Justice, or DJJ). Their proposal, with minor modifications, has been approved by both public safety budget subcommittees. The changes now likely to be adopted include these:

- Custody time in DJJ would be extended to age 25 from age 23. The intent here is to ensure enough available confinement time in the Division of Juvenile Justice (DJJ), so so that judges in transfer hearings will not shift cases to adult criminal court based on insufficient juvenile confinement time. A parallel change would allow young adult offenders housed in DJJ to stay there until age 25 if their adult sentence could be completed by then, without mandatory transfer back to the adult prison system at an earlier age.
- A new Young Adult Offender Pilot program will authorize CDCR to house young adults in DJJ (those between 18-21 whose offenses were committed as juveniles) in order to benefit from enriched programming and to be able to complete their sentences in DJJ by age 25. The Administration expects that approximately 76 young, current prison inmates will qualify for the pilot program upon implementation.

✓ ***CalVIP gang violence prevention grants***

Last year this long-standing grant program for city-based gang violence prevention programs was modified to allow direct grants to community-based organizations. The grant program also got a name change from “CalGRIP” to “California Violence Intervention and Prevention Program” (“CalVIP”). The grants are administered competitively by the Board of State and Community Corrections (BSCC). In 2017, BSCC awarded CalVIP funds to 10 CBOs and 10 cities (including a statutory \$1 million set-aside share for Los Angeles). This year, in the budget

hearings just completed, the Assembly recommends re-appropriation of last year's total amount of \$9.2 million for CalVIP for FY 18-19. The Senate Budget Subcommittee on Public Safety has upped the ante by doubling the proposed CalVIP appropriation to \$18.4 million. The final amount will be determined by negotiations in the Budget Conference Committee, subject also to the Governor's approval upon signing the Budget Act.

✓ ***Juvenile Court and Probation Statistical System***

At Commonwealth's urging, both public safety budget subcommittees adopted language requiring the Department of Justice (DOJ) to produce a plan to modernize or replace the state's outdated juvenile justice data bank—known as the Juvenile Court and Probation Statistical System (JCPSS). The DOJ plan is due back to the budget subcommittees by March 2019 and must include options and estimated costs for replacement of the presently antiquated JCPSS technology. An additional requirement is that the plan must include an option so that the replacement system would have the capacity to collect and report recidivism data on juveniles whose information is entered by courts and probation departments. The budget provision requires DOJ to coordinate with advocates and affected stakeholders in producing the plan, including review of the impact of any data bank changes on local data reporting agencies. The plan requirement is seen as a first-step toward implementing the number one recommendation of the California Juvenile Justice Data Working group, established in 2014 by the legislature—that recommendation being replacement of the antiquated JCPSS currently operated by DOJ. This is a no-appropriation item, designed to identify the parameters and costs of a replacement data bank that could be considered for funding in next year's state budget.

✓ ***Proposition 47-- Savings grow for the Safe Neighborhood and Schools Fund.***

Youth justice advocates have been close observers and vocal participants in the process for allocation of Proposition 47 funds. Adopted by state voters in 2014, Prop 47 deploys state savings from reduced prison costs (due to reclassified felonies) to a Safe Neighborhoods and Schools Fund. The California Department of Finance (DOF) determines the state savings amount each year that is deposited into the Fund. 65% of each annual Prop 47 savings amount goes to the Board of State and Community Corrections (BSCC) for distribution via a competitive grant process to local collaboratives supporting youth and adult offender services in the areas of mental health, substance abuse, re-entry assistance and housing. In 2017, BSCC distributed the first round of Prop 47 grants—totaling \$103 million to 23 counties with winning proposals. These are 3-year grants. The next BSCC funding cycle will occur in 2019-20. For FY 18/19, the Dept. of Finance has estimated an increase of \$19 million in Prop 47 savings (available for the Safe Neighborhood and Schools Fund) over the prior year amount of \$64 million. The BSCC share of the FY 18/19 SNSF fund amount will be applied to support the 3-year grants awarded by BSCC in 2017.

✓ **Juvenile Justice Crime Prevention Act, Youthful Offender Block Grant and Juvenile Re-entry Fund**

These stalwart, long-standing grant programs have furnished counties with more than \$3 billion in youth crime/violence prevention and juvenile probation funds over the last 18 years. Funds for these grant programs—now running at a total annual payout of about \$280 million—flow routinely into county realignment accounts that are automatically refunded from year to year based on available revenues, statutory formulas and growth-factor add-ons for each fund. Technically the renewal funding for FY 18/19 is pre-approved under realignment reforms and is not up for debate in the current budget cycle—but how these grants work has been a subject of discussion in subcommittee budget hearings.

- **The Juvenile Justice Crime Prevention Act (JJCPA)**, first adopted in 2000, supplies counties with funds to support evidence-based approaches to the custody, supervision and rehabilitation of justice system youth. The funds are allocated to counties by the State Controller, based on youth population share and on the total amount of state funds available each year from Vehicle License Fee revenues and “growth” revenue supplements. Local allocations to county-level programs are made by the county Juvenile Justice Coordinating Council (JJCC)—a stakeholder group consisting of statutorily designated public and community-based agency members. Under 2011 realignment, JJCPA funds are locked into local justice system subaccounts with the funding renewed each year based on levels calculated by the state Controller’s office. For FY 16/17 (most recent full funding year), counties received a total of \$107 million with an added growth component of \$32 million, for a total of \$139 million. The FY 17/18 amount will have a base of \$107 million with total growth factor yet to be determined.
- **The Youthful Offender Block Grant (YOBG)** program was created as part of the 2007 legislative realignment of the Division of Juvenile Justice. YOBG provides counties with funds to handle the caseload of non-violent youth shifted under realignment from state to local control. Like the JJCPA, YOBG funds are distributed by the Controller each year to local public safety realignment accounts, based on sales tax revenues and funding formulas calculated annually by the Department of Finance. Unlike JJCPA funds, YOBG funds go directly to probation departments (not through the coordinating council)—a process that has elicited criticism from advocates on the basis that YOBG dollars are largely absorbed by probation salaries and are insufficiently deployed to community-based youth services (this critique has been voiced by advocates supporting the Youth Reinvestment Fund, described above, that would directly fund CBOs). For FY 16/17, the total YOBG statewide fund amount available to counties was \$134 million augmented by a growth factor of \$7 million, for an annual total of \$ 141 million. For FY 17/18 (still in process) we expect YOBG totals to be the same or higher.
- **Juvenile Reentry Grant Fund.** This is another, smaller realignment fund that pays counties to supervise and serve youth returning to local control upon release from the state Division of Juvenile Justice. This fund was created in 2010 to support county costs

resulting from the realignment of state youth parole to local probation departments. The annual amount is calculated by the Department of Finance based on DJJ release volume and other factors; for FY 17/18, the amount available to all counties for the Reentry Grant fund was determined by DOF to be \$8.4 million.

County-level detail on how JJCPA/YOBG grant funds were most recently expended can be found in the annual JJCPA/YOBG report published by BSCC. In 2016, based on recommendations of the California Juvenile Justice Data Working Group, the annual reports compiled by BSCC on how JJCPA and YOBG are spent were consolidated into a single-report format. The March 2018 report for the FY16/17 grant cycle can be accessed on line at:

<http://www.bscc.ca.gov/downloads/2018%20JJCPA-YOBG%20Leg%20Report%20FINAL%203.9.18.pdf>

### ✓ ***Juvenile Probation Services and Probation Camp Funds***

Sliding under the radar of attention that larger juvenile justice grant programs usually get is the annual state allocation of funds for the Juvenile Probation Services and Probation Camp Fund. These funds, furnished through local realignment accounts, are distributed annually to probation departments to support a range of youth justice programs and facilities. The funding stream dates back to the old “Probation TANF” federal allocation that was subsequently converted to a General Fund allocation. For FY 17/18, \$151 million went to county probation departments based on population share, and another \$29 million was allocated to counties operating probation camps and ranches as a state subsidy supporting those local facilities. This allocation level is expected to repeat for FY 18/19.

### ✓ ***CPOC request for \$30 million to “repurpose” empty juvenile detention space***

Speaking of local juvenile facilities-- the Chief Probation Officers of California (CPOC) asked the budget subcommittees to approve a \$30 million grant program to “repurpose” empty detention space in county probation-run juvenile facilities. Under their proposal, empty beds would be converted into specialized units providing intensive treatment in the areas of mental health, substance abuse, cognitive behavioral therapy and re-entry preparation. Underlying the proposal are some stark facts documenting rapidly declining populations in county juvenile halls, camps and ranches. According to data collected by the Board of State and Community Corrections, occupancy in these county juvenile detention facilities has declined steadily to a present level of only 35 percent of rated capacity. Los Angeles County has already responded to the decline in its youth custody population with its plan to consolidate its former complex of 18 probation camps into to just six remaining camps serving “high risk/high needs” youth. The CPOC repurposing proposal would likely avoid closures and incidental losses of probation jobs, by converting empty space into therapeutic treatment centers—centers that could also serve probation youth who can no longer be placed in residential group homes eliminated by the state’s Continuum of Care Reform (CCR) initiative. However, CPOC’s budget request was not adopted by either budget subcommittee. It could still be the subject of further talks between the Governor and Budget Conferees in the weeks ahead. ■