



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Thomas M. Miller, County Executive Officer
By: Bekki Riggan, Principal Management Analyst

DATE: January 10, 2012

SUBJECT: Review the Public Safety Realignment Act of 2011 and FY 2012-13 County Budget Projections

Action Requested

Review the Public Safety Realignment Act of 2011 and FY 2012-13 County Budget projections.

Background

Last year the California Legislature passed and the Governor signed the 2011 Public Safety Realignment Act which transfers responsibility for \$5.6 billion in various realigned public safety programs from the State to the counties beginning October 1, 2011. To address the sweeping changes that occurred as a result of public safety realignment, the legislature provided specific direction and funding to the counties through Assembly Bill (AB)109, AB117 and AB118.

The legislation contains the following key elements:

- Amends the Penal Code by redefining sentences to be served under local rather than state jurisdiction;
- Mandates a local AB109 planning process for recommending a local plan for implementation of Realignment to the Board of Supervisors;
- Provides flexibility for local governments to determine how best to manage these new responsibilities; and
- Provides one-time funding to counties for planning and start-up costs and presumed on-going funding for custody, supervision and programming needs associated with these new responsibilities (\$360k in one-time funding and \$3.1million in on-going funding for Placer County).

However, at this time there is no constitutional guarantee or other budgetary mechanism currently in place that insures ongoing funding.

Local AB109 Impact

AB109 legislation fundamentally alters California's criminal justice system by shifting responsibility for sentencing, housing, supervising and rehabilitating low-level felons from three distinct groups. The first group, known as the Post Release Community Supervision population (PRCS) is the same population that has historically been released to counties upon completion of their prison terms, but is now released to the supervision of Probation, rather than to state parole as previously occurred.

For Placer County, the California Department of Corrections and Rehabilitation (CDCR) estimated that approximately 14 PRCS offenders per month would be added to Probation caseloads over the next several years. However, over the first 3 months of AB109 implementation, Probation reports receiving a total of 67 PRCS cases, an average of 22 per month.

The second group consists of newly sentenced lower-level felony offenders (whose offenses are non-violent, non-serious, or non-sex related referred to as "non-non-non" offenders) and were previously eligible for a commitment to state prison but will now serve their sentences locally. The State assumes this group will serve their sentences through some combination of county jail detention or detention alternatives and/or mandatory supervision by Probation. CDCR estimated that approximately 12 per month over the next several years would remain the responsibility of Placer County. However, over the first 3 months, the jail received 45 sentenced "non-non-non" inmates, an average of 18 per month. Also of note, is that local sentencing terms have generally exceeded what CDCR anticipated and that were assumed by the State in establishing local government funding methodology.

Finally, the legislation also mandates local Superior Courts, rather than the Board of Parole, as the body responsible for conducting parole (in 2013) and PRCS revocation hearings. With the exception of inmates with life terms, parole and PRCS revocations will be served in the County jail. This population comprises the third realigned offender population, which CDCR estimated would result in approximately 4 per month becoming the responsibility of Placer County. Within the first 3 months, the Sheriff's Office reports receiving 35 parole violators.

All combined, the State estimated that at full implementation (4 years), Placer County will have responsibility for approximately 429 additional offenders in the local criminal justice system (276 inmates and 153 PRCS offenders supervised in the community). This would result in an 8.3% increase to the 2011 systemwide average daily population (ADP) from 5,184 to 5,613. However, these numbers reflect the expectation and high value the State places on reducing recidivism through implementing evidence-based practices and other "upstream" initiatives.

Clearly, with only 3 months into AB109, it is too early to predict the extent to which Realignment will ultimately impact Placer County. However, first quarter data suggests that CDCR's numbers may under-represent system impact. Public Safety Realignment will result in additional and more serious offenders being supervised by Probation and sentenced to the county jail, and will add additional responsibilities and workload for the District Attorney, Public Defender, Health and Human Services and the Courts. In addition, if counties are to achieve improved outcomes intended with this legislation there will be an increased need for substance abuse, mental health, employment, housing and transitional services to be developed both in and out-of-custody.

County Efforts in Preparation for AB 109 Implementation

In an attempt to position the County to effectively manage the initial impacts of AB109, the County Executive Office authorized filling a number of Public Safety positions that were

previously held vacant. A total of 85 positions were approved to fill in our Public Safety Departments in the first half of FY 2011-12.

While a number of those positions have been internal, lateral or promotional hires, approximately 51 (60%) of those approvals have been for "new hires", including eight Deputy Sheriff positions specifically approved for the Citizens Option for Public Safety (COPS) hiring grant. Once all existing approvals have been filled, there will be a net increase of 30 "filled" positions across public safety in the past six months.

AB109 Funding

Funding for the State's comprehensive \$5.6 billion 2011 Realignment Plan is provided through the transfer of state sales tax of \$5.1 billion and reconfigured Vehicle License Fee (VLF) revenues of \$453.4 million. The reconfigured VLF revenues continue to fund a number of local public safety subvention programs previously funded through the temporary VLF rate increase that expired on June 30, 2011, including state funded Jail Booking Fees, Rural Counties Front Line Law Enforcement, Citizens Option for Public Safety (COPS) Supplemental Law Enforcement Services Fund (SLESF), Juvenile Justice Crime Prevention Act (JJCPA) programs, and Juvenile Camps. The \$367 million identified for county implementation of AB 109 represents approximately 6.6% of the comprehensive Realignment plan.

AB118 delineates the methodology for funding local government to implement Realignment and is derived from the following formula:

- 60% Average Daily Population (Caseload);
- 30% County population (18 to 64 years); and
- 10% County success rates in past efforts to reduce probation failures.

Placer County's FY 2011-12 AB 109 allocations are as follows:

- Incarceration/Alternative Sanctions/Programs: \$2,986,395
- Prosecution and Public Defense Parole Revocation Costs: \$107,048
- Evidence Based Practices Training (one-time): \$210,000
- Community Corrections Partnership Planning (one-time): \$150,000

Total Year-1 Funding Allocation to Placer County \$3,453,443

The 2011 Placer County Public Safety Realignment Plan presented to your Board contains recommendations from the Community Corrections Partnership (CCP) for implementing this new legislation here in Placer County. The CCP's plan calls for new resources for managing additional inmates in the county jail, for enhancing supervision of offenders transitioning to the community by Probation and local law enforcement, for addressing anticipated additional workload to the District Attorney and Public Defender offices, and for developing a variety of treatment programs and services designed to address criminogenic needs and reduce recidivism among offender populations.

Individual departments will return to your Board in the future to increase appropriations and establish position allocations and services on a phased-in, as-needed basis. Critical

to the effective local implementation of Realignment is the development of appropriate data management and evaluation to track how the system adapts to this legislation, to help define what is or is not working, and to inform future investment of limited resources.

Local Budget Challenges

As discussed at the December 13, 2011 meeting, the County's FY 2012-13 budget deficit is estimated at \$5.1 million (\$2.3 million General Fund, \$2.8 million Public Safety Fund). Although these are preliminary estimates based on a number of assumptions, they reflect the current starting point for rolling out the initial base budget to departments. The following table displays the projected deficit for the General Fund and Public Safety Fund.

Table 1:

FY 2012-13: Combined General and Public Safety Funds Preliminary Budget Estimates					
	General Fund		Public Safety Fund		
	Beginning Deficit (In millions)	Including potential adjustments (In millions)	Including SPACF lockdown costs(4) (In millions)	Including SPACF start up costs and half year operations (5) (In millions)	Including SPACF Full Year Operations (2014) (In millions)
Estimated FY 2012-13 Revenues (1)	\$ 350.8	\$ 350.8	\$ 130.4	\$ 130.4	\$ 130.4
Estimated FY 2012-13 Expenditures(2)	380.1 (29.3)	377.8 (27.0)	136.2 (5.8)	155.1 (24.7)	152.1 (21.7)
Estimated Fund Balance Rollover	27.0	27.0	3.0	3.0	3.0
Use of Reserves				3.0	
Remaining Deficit	\$ (2.3)	\$ 0.0	\$ (2.8)	\$ (18.7)	\$ (18.7)

1. Assumes 1% drop in Property Tax Revenues and 3% increase in sales tax and public safety sales tax
2. Assumes the same number of funded positions as in the current year
3. AB 109 revenue assumed to offset AB 109 impacts
4. Lockdown costs for SPACF are estimated at \$816,000 annually
5. Start up costs for SPACF includes \$7 million for furniture, supplies and \$4.1 million OPEB prepayment

The *General Fund* deficit appears manageable through available adjustments that are one-time in nature and consistent with adjustments used in prior years to balance.

The projected *Public Safety Fund* deficit is primarily due to a lower fund balance carryover projection estimated at \$3 million compared to \$5.6 million used to fund the public safety budgets in FY 2011-12. The reduced fund balance projection for FY 2011-12 is based on a number of contributing factors, but mainly attributed to filling a number of funded positions previously held vacant in FY 2011-12.

Risk of further local or State driven challenges remain and the County faces a greater challenge in the Public Safety Fund due to ongoing cost drivers, reduced operating margin under the current approach, and potential impacts related to AB 109.

Conclusion

As previously discussed with your Board at the July 25, 2011 and August 9, 2011 meetings, the State's Public Safety Realignment initiative presents significant changes to California's local criminal justice systems that yield both opportunity and risk. The legislation assumes local governments will handle the offender population in a different manner than the California Department of Corrections and Rehabilitation (CDCR) and that we will achieve better results through combinations of county jail detention, mandatory supervision by Probation, and a variety of evidence-based detention and treatment alternatives shown to reduce recidivism with certain offenders.

However, if counties chose to replicate the State model of incarcerating for significant periods of time, leaving risk and needs unaddressed, and releasing offenders from detention or intensive supervision without sufficient transition planning that addresses housing, employment and other issues, then the available funding will surely be inadequate and achieving better outcomes with these populations less likely.

Placer County's history of utilizing evidence-based practices to reduce costs and improve outcomes in its juvenile justice programs, to reduce numbers of repeat DUI offenders, and to address past challenges with the adult jail population demonstrates that the County can successfully implement Realignment. However, the system changes envisioned through AB 109 – using resources wisely, public safety agencies working in a coordinated manner, using evidence-based practices to address criminogenic risks and needs, developing and analyzing data to determine what is and isn't working and making funding decision based on this data – will be essential, particularly given existing local funding challenges.

The legislation provides local jurisdictions with the flexibility to choose how to manage and supervise their offender populations, and provides resources to assist with these choices. But whether these resources will be adequate to cover local policy choices and whether they will be sustainable given the State's on-going financial difficulties is still to be determined. Efforts by the County Executive Office and public safety officials to work with their respective state organizations to secure stable funding for Public Safety Realignment will remain crucial to insure sufficient funding for the CCP's implementation plan in future years.

