

A MIXED PICTURE: STATE CORRECTIONS SPENDING AFTER THE 2011 REALIGNMENT

In 2011, policymakers in California transferred responsibility and funding for public safety and other services from the state to the counties. This “realignment” intersected with the state corrections budget in two significant ways. First, counties assumed responsibility for certain “low-level” offenders and parolees, all of whom previously would have served state prison sentences and been supervised by state parole agents upon their release. Second, policymakers used special fund dollars provided by the 2011 realignment to support two juvenile justice grants that previously had been funded with state General Fund dollars. Due to these changes, the state corrections budget currently is hundreds of millions of dollars below the 2010-11 (pre-realignment) level, and annual state General Fund savings are expected to reach \$1.5 billion by 2014-15. However, these state corrections *savings* are mostly offset by county corrections *spending* that is funded with realignment revenues. Moreover, the state’s per capita costs for the prison and parole populations have continued to climb in recent years and are substantially higher than in the mid-1990s, even after adjusting for inflation.

What Is State Corrections?

The main purpose of the state correctional system is to enhance public safety by incarcerating offenders, supervising ex-prisoners after their release, and helping offenders reintegrate into their communities. Nearly all spending on state corrections – which totals \$9.2 billion in 2013-14 under the Governor’s revised budget – flows through the California Department of Corrections and Rehabilitation (CDCR), with a small portion budgeted through the independent Board of State and Community Corrections (BSCC).¹ The state’s General Fund provides the largest source of funding for state corrections – more than 95 percent of the total – with additional dollars provided by state special funds and the federal government.²

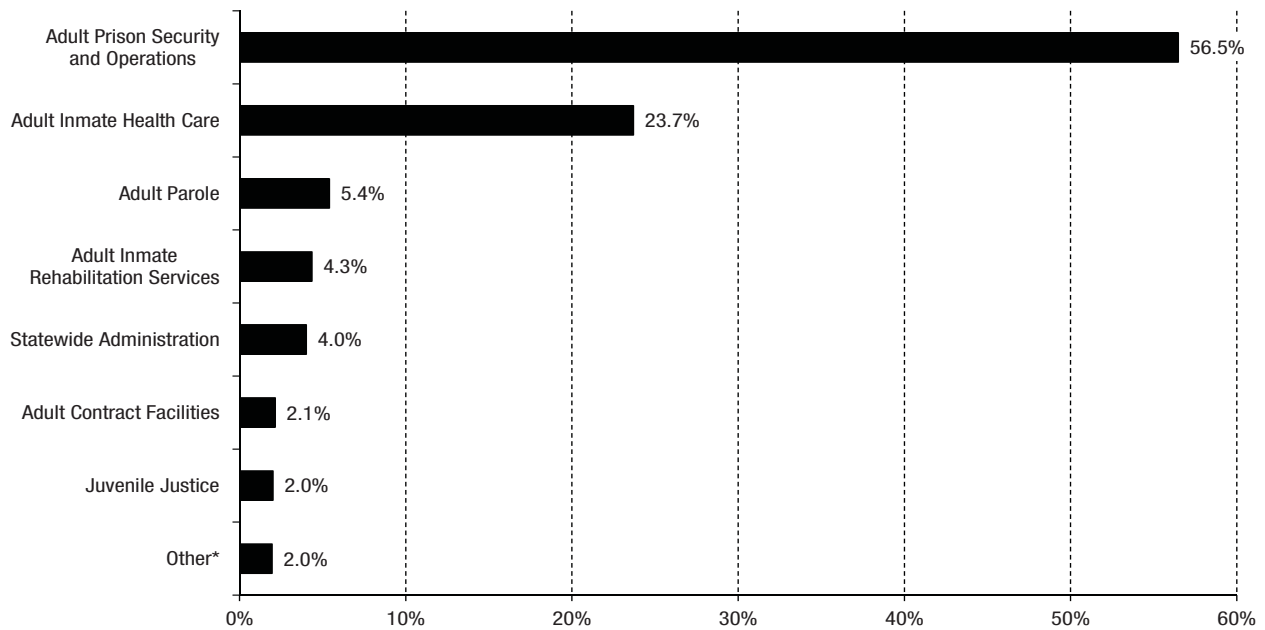
More than half (56.5 percent) of the state corrections budget goes toward prison security and operations, which includes the cost

of salaries for correctional officers and inmate support services, such as meals and clothing (Figure 1). Nearly one-quarter (23.7 percent) of corrections dollars pay for adult inmate health care. Significantly smaller shares of the corrections budget go toward adult parole, inmate rehabilitation services, statewide administration, and facilities in California and other states that house adult offenders under contract with the CDCR.³ A small share (2.0 percent) of corrections spending supports supervision of and services for the small number of juvenile offenders who are sent to state facilities by the juvenile courts.⁴

How Is State Corrections Related to the 2011 Realignment?

State policymakers initiated a process of realignment in 2011, by which counties have assumed programmatic and financial responsibility for a number of public safety, health, and human

Figure 1: More Than Half of Spending on State Corrections Goes Toward Prison Security and Operations



* Reflects the cost of legal services and the Board of State and Community Corrections.
 Note: Reflects \$9.2 billion in General Fund, special fund, and federal dollars budgeted for 2013-14 as of the Governor's May Revision, excluding expenditures for corrections-related infrastructure projects.
 Source: Department of Finance

services programs that previously were funded – and, in some cases, operated – by the state.⁵ In addition, the Legislature redirected to counties a share of two existing state revenue streams to cover the cost of the realigned programs.⁶ These two revenue streams are projected to generate \$6.3 billion in dedicated special fund dollars for the realigned programs in 2013-14, with annual revenues generally expected to rise over time.⁷ Approximately two-thirds of the realignment dollars are deposited into Mental Health and Support Services accounts to fund the various health and human services programs for which the counties have assumed responsibility.⁸

The remaining realignment revenues – about one-third – are deposited into a Law Enforcement Services Account to fund the various public safety services transferred to counties in 2011. This law enforcement account includes two “subaccounts” that provide counties with *special fund* realignment revenues for corrections-related activities that previously were supported with *General Fund* dollars through the CDCR’s budget.⁹ These subaccounts provide counties with dedicated funding for:

- **Community corrections.** State policymakers shifted to counties responsibility for certain “low-level” offenders and parolees, all of whom previously would have served state prison sentences and been supervised by state parole

agents upon release.¹⁰ This new responsibility, which took effect on October 1, 2011, is generally referred to as “community corrections.”¹¹ Policymakers made this shift in response to a number of factors, including rising state corrections expenditures, the costly cycling of low-level parole violators through the state’s prison system, and a federal court order requiring the state to significantly reduce prison overcrowding (see box, “The Federal Court Order to Reduce California’s State Prison Population: A Status Report”). The shift to community corrections is transforming California’s criminal justice system and could help to improve outcomes for offenders to the extent that counties focus on providing rehabilitative services rather than relying primarily on incarceration in local jails. Counties are projected to receive \$1.1 billion in realignment revenues for community corrections in 2013-14.¹²

- **Juvenile justice grants.** Policymakers also used realignment revenues to fund two existing juvenile justice grants beginning in 2011-12: the Youthful Offender Block Grant and the Juvenile Reentry Grant.¹³ These grants, which were previously included in the CDCR’s budget and supported with General Fund dollars, support counties’ role in supervising and providing services to nearly all juvenile offenders in the state. Counties are projected to receive

The Federal Court Order to Reduce California's State Prison Population: A Status Report

A 2009 federal court order requiring California to significantly reduce overcrowding in state prisons played a key role in policymakers' decision in 2011 to shift – or “realign” – responsibility for low-level offenders to counties. In August 2009, a panel of federal judges ruled that overcrowding was the main reason that the state was failing to provide prisoners with medical and mental health care that met US constitutional standards. At the time, there were roughly 150,000 inmates in state prisons, equal to 188 percent of the prison system's “design capacity.” The three-judge court ordered the state to gradually reduce the prison population to 137.5 percent of design capacity, which at the time equaled roughly 110,000 inmates. The US Supreme Court upheld the judges' order in 2011, and the state faced a June 27, 2013 deadline (later extended to December 31, 2013) to comply with the population-reduction order. Planned changes in the design capacity of state prisons mean that the prison population limit – that is, the *numerical* cap – will be slightly higher than originally anticipated. The cap is expected to rise to approximately 112,000 inmates by December 2013 and to nearly 113,600 inmates by June 2014. However, despite the redirection of low-level offenders to counties, the state prison population is expected to exceed these limits by several thousand inmates.

In early 2013, Governor Brown asked the three-judge court to end its population-reduction order. The judges denied the request and required the Administration to prepare a compliance plan. The Governor's plan, submitted on May 2, prioritized a number of proposed measures, including expanding the capacity of fire camps, expanding “good-time” credits – although not retroactively – to a limited number of nonviolent inmates in order to shorten their prison terms, modifying the parole process for elderly inmates, leasing county jail capacity, and slowing the return of inmates housed in out-of-state facilities. In its court filing, the Administration indicated that it intends to expand the capacity of fire camps, which will reduce the prison population by 1,250 inmates by the end of 2013. However, the Administration noted that the other parts of the plan could not be implemented without the Legislature's approval. Moreover, the Administration acknowledged that its plan would fall short of meeting the December 2013 prison population target. Days after filing the plan, the Governor – arguing that further prison population reductions are unnecessary – appealed the judges' most recent order to the US Supreme Court.

Frustrated by years of delay, the three-judge court issued a new order on June 20. This order requires the state to immediately begin implementing the May 2 plan, along with a new population-reduction measure: expanding “good-time” credits – prospectively *and* retroactively – to a broader range of inmates than envisioned in the state's original plan. The judges' June 20th order provided the Administration with some flexibility regarding how it implements this new plan, including the option to exclude inmates convicted of violent crimes from the expanded good-time credit system. The judges waived all state and local laws and regulations that would prevent the state from immediately implementing the population-reduction measures included in the amended plan. In addition, the new court order includes a contingency measure requiring the release of “low-risk” prisoners if the December 2013 population target would not otherwise be met. The Administration planned to seek an immediate stay of the new order.

\$121.1 million in realignment revenues for these juvenile justice grants in 2013-14.¹⁴

The State Inmate and Parolee Populations Have Declined Due to Realignment

The state inmate and parolee populations have declined substantially since counties took responsibility for low-level offenders and parolees on October 1, 2011 (Table 1). The number of inmates housed in the state's 33 prisons fell from 144,456 to 119,911 – a 17.0 percent drop – between September 30, 2011 and May 31, 2013.¹⁵ The number of inmates housed in contract facilities, both in California and other states, also declined substantially during this period, and the parole population fell by

nearly half (49.7 percent), from 104,782 to 52,730. In contrast, the number of inmates housed in fire camps is roughly similar to the pre-realignment level – down by just 3.7 percent – while the relatively few inmates housed in state hospitals for the mentally ill increased by nearly one-quarter (22.7 percent) during this period.¹⁶

State Corrections Spending Is Several Hundred Million Dollars Below the 2010-11 Level

The most straightforward way to assess the change in state corrections spending since realignment took effect is to compare recent expenditures to corrections spending in 2010-11 – the year before realignment was implemented. By this measure,

Table 1: The State Inmate and Parolee Populations Have Declined Substantially Since Counties Assumed Responsibility for Low-Level Offenders and Parolees in October 2011

| | Sept. 30, 2011 | May 31, 2013 | Change | Percent Change |
|----------------------------------|----------------|----------------|----------------|----------------|
| Adult Inmates | 160,774 | 133,011 | -27,763 | -17.3% |
| State Prisons | 144,456 | 119,911 | -24,545 | -17.0% |
| Out-of-State Contract Facilities | 9,491 | 8,270 | -1,221 | -12.9% |
| Fire Camps | 4,071 | 3,922 | -149 | -3.7% |
| In-State Contract Facilities | 2,558 | 665 | -1,893 | -74.0% |
| Hospitals for the Mentally Ill | 198 | 243 | 45 | 22.7% |
| Adult Parolees | 104,782 | 52,730 | -52,052 | -49.7% |

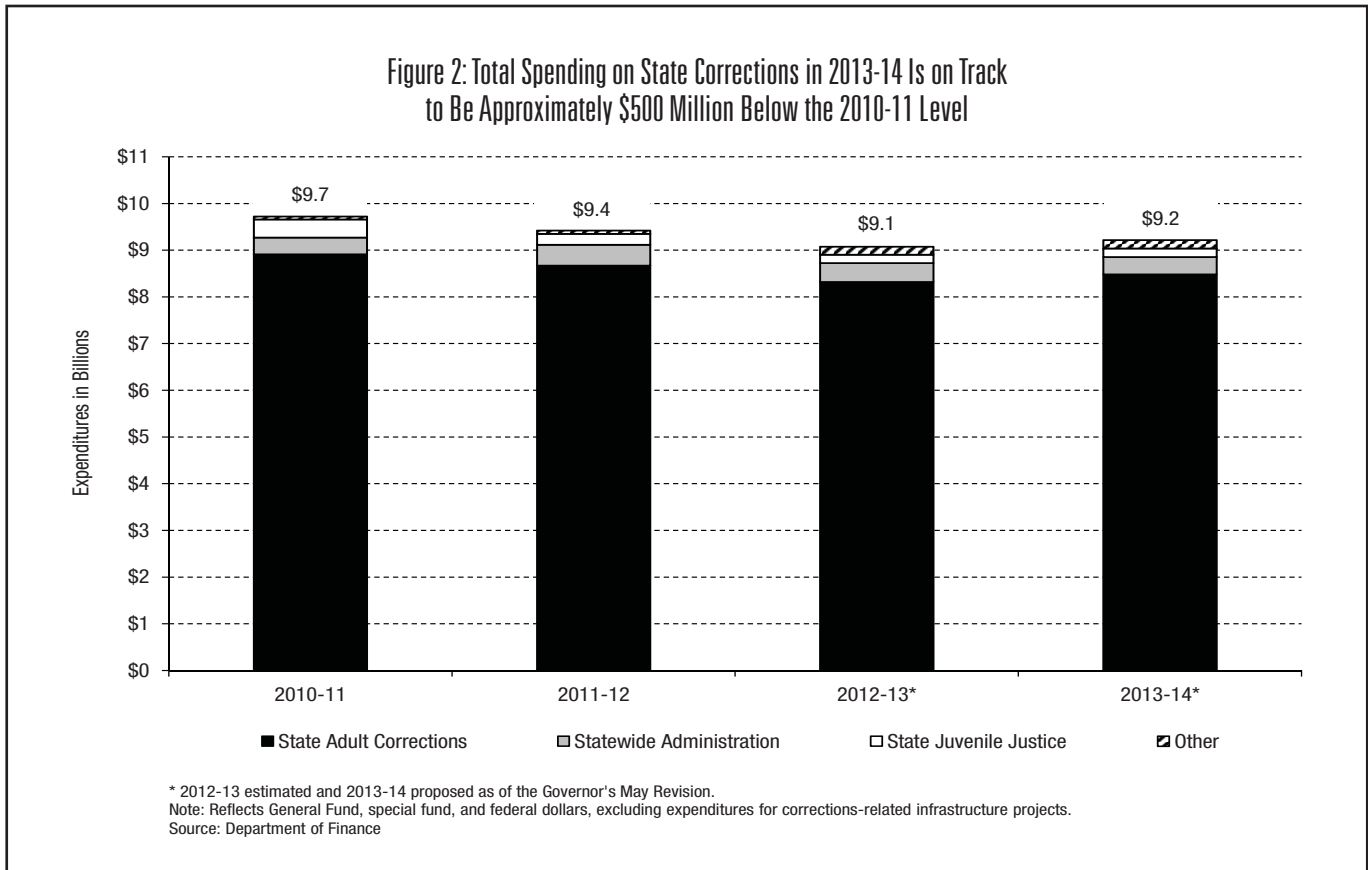
Source: California Department of Corrections and Rehabilitation

spending on corrections has dropped by several hundred million dollars since realignment (Figure 2). Specifically, the state is estimated to spend \$9.1 billion on corrections in 2012-13, approximately \$640 million (6.6 percent) *below* the 2010-11 level of \$9.7 billion. Spending is on course to increase slightly to \$9.2

billion in 2013-14 – approximately \$500 million (5.2 percent) below the 2010-11 level. However, the 2010-11 spending level is artificially low because it reflects more than \$500 million in savings attributable to state employee furloughs.¹⁷ Moreover, the 2013-14 CDCR budget includes approximately \$150 million for the new California Health Care Facility in Stockton that is set to open in July 2013 – a state cost that did not exist in 2010-11.¹⁸ Therefore, comparing recent corrections spending to the 2010-11 level does not fully account for state *savings* attributable to the 2011 realignment.

Annual State Corrections Savings Exceed \$1 Billion When Compared to a “Baseline” Spending Scenario

The CDCR calculates state savings under realignment by projecting the additional costs that the state *likely would have incurred* if realignment had not been enacted in 2011. In other words, this method estimates state savings relative to a projected baseline – or “workload” – budget *absent* realignment.¹⁹ A primary advantage of this method is that it accounts for savings that cannot be identified simply by comparing recent spending to actual spending in a base year (such as 2010-11). The CDCR



estimated in April 2012 that the transfer of low-level offenders and parolees to counties would reduce General Fund spending for prison and parole operations by \$1 billion in 2012-13 compared to the CDCR's baseline budget for that year, with annual state savings projected to rise to \$1.3 billion in 2013-14 and to \$1.5 billion by 2014-15.²⁰ These budget savings are attributable to "declining offender populations and new efficiencies."²¹ A recent state audit of CDCR spending concludes that the department "is likely to achieve" – and might exceed – the \$1 billion savings target in 2012-13.²²

In addition, the CDCR suggests that realignment reduced state corrections spending by an *additional* \$2.2 billion per year by eliminating the need to build more prisons in order to reduce overcrowding. The CDCR argues that absent realignment, "the state would have had to construct up to nine new prisons . . . while also maintaining thousands of offenders in contract beds in order to meet court-ordered requirements related to [prison] population levels and health care."²³ Under this scenario, the state would have spent an estimated \$550 million per year on debt service for new prison construction bonds and an additional \$1.6 billion per year to staff the new facilities – that is, a total of \$2.2 billion in costs the state avoided by shifting low-level offenders to the counties.²⁴ However, these additional savings are speculative. It is unlikely that lawmakers would have approved a costly new prison construction program at the same time that they were making deep cuts to a range of state services in the wake of the Great Recession. In the absence of realignment, policymakers likely would have "muddled through" and pursued other means of reducing prison overcrowding, perhaps over a longer time frame than envisioned by the federal courts.²⁵ Therefore, the most reasonable estimate of the reduction in state spending due to realignment is \$1 billion to \$1.5 billion per year – that is, the CDCR's projected prison and parole savings assuming no significant expansion of state prison capacity.

The More Than \$1 Billion in State Corrections Savings Is Mostly Offset by County Corrections Spending Funded With Realignment Revenues

The *state* General Fund savings that are attributable to the 2011 realignment are mostly offset by *county* spending funded with state realignment revenues – that is, special fund dollars provided through the state budget. For example, as noted in the previous section, the CDCR projects General Fund savings of \$1.3 billion in 2013-14 due to the realignment of low-level offenders and parolees to counties. However, counties are projected to spend nearly as much – \$1.1 billion – in realignment revenues to house and supervise offenders and parolees for whom the state was previously responsible.²⁶ (By design, counties receive less funding

for these activities than the state likely would have spent.²⁷) In addition, the state achieved ongoing General Fund savings by eliminating support for two existing juvenile justice grants.²⁸ However, these grants are now funded with realignment revenues and therefore appear as special fund expenditures in the state budget.

In effect, corrections *savings* in one part of the state budget – the General Fund – are largely counterbalanced by increased corrections *spending* funded through a different part of the budget – state special funds. Adjusting the corrections budget to reflect this shift shows that state corrections spending currently exceeds \$10 billion per year for three categories of expenditures: (1) the state's ongoing correctional responsibilities, (2) counties' new responsibility for low-level offenders and parolees (community corrections), and (3) juvenile justice grants previously funded with General Fund dollars through the CDCR's budget but now funded with realignment revenues (Figure 3). Nonetheless, this adjusted spending level is likely to be *lower* than it would have been *absent* realignment by a couple hundred million dollars in 2013-14 and, potentially, by several hundred million dollars each year after that. This is because, as noted above, counties receive less funding per year to house and supervise low-level offenders and parolees than the state likely would have spent for these same populations if realignment had not been implemented.

Per Capita Costs for the Prison and Parole Populations Have Continued to Rise

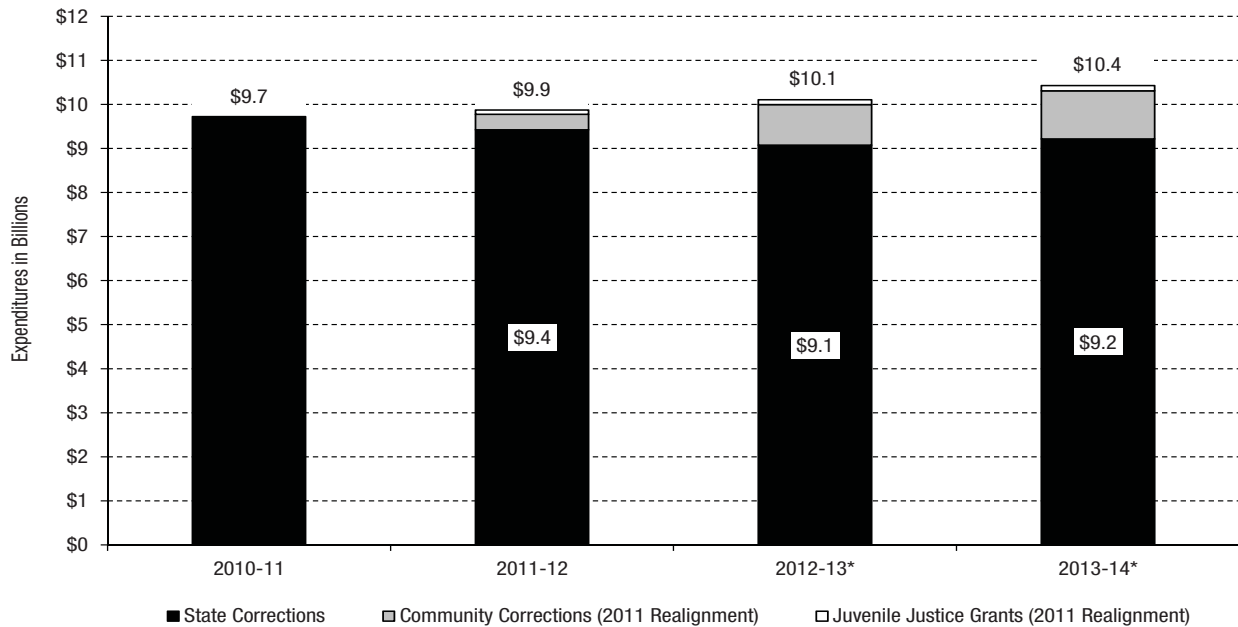
The state's per capita costs for the prison and parole populations have continued to climb in recent years and are substantially higher than in the mid-1990s, even after adjusting for inflation.

The Number of Inmates Has Fallen to Roughly the 1994-95 Level, But the Inflation-Adjusted Cost Per Inmate Is Up by More Than 80 Percent

California has reached a milestone: The average daily number of inmates in the state's prisons and fire camps is projected to be less than 122,000 in 2013-14, roughly the same number as in 1994-95 (Table 2).²⁹ At the same time, the state's *cost per inmate* is substantially higher than it was in the mid-1990s. California is expected to spend approximately \$60,000 per inmate in 2013-14.³⁰ This is 82.3 percent higher than in 1994-95, when the state spent slightly less than \$33,000 for every inmate, and 15.1 percent higher than in 2010-11, when the state spent roughly \$52,000 per inmate, after adjusting for inflation.³¹

This substantial increase in the cost per inmate is attributable to several factors.³² Staffing levels are significantly higher today than they were two decades ago, even though the average daily

Figure 3: Annual Spending on State Corrections Currently Exceeds \$10 Billion After Accounting for Certain Revenues and Responsibilities Shifted From the State to the Counties Under the 2011 Realignment



* 2012-13 estimated and 2013-14 proposed as of the Governor's May Revision.
Source: Department of Finance

number of inmates is approximately the same. In 1994-95, there were about 122,000 inmates and – based on an inmate-to-staff ratio of 3.84-to-1 – roughly 32,000 prison and fire camp staffers.³³ In contrast, there are expected to be roughly 56,000 staffers for about 122,000 inmates in 2013-14, based on a

projected inmate-to-staff ratio of 2.19-to-1.³⁴ Salary increases have also contributed to the rising cost per inmate. According to the CDCR, the “mid-step” monthly salary level for a correctional officer is projected to be \$6,144 in 2013-14 – nearly one-quarter (24.3 percent) higher than the inflation-adjusted 1994-95 level of \$4,943.³⁵ Moreover, the cost of inmate health care has increased dramatically in response to various court orders and settlements, including the appointment of a federal Receiver in 2006 “to take over the direct management and operation of the state’s inmate medical care program from CDCR.”³⁶ Spending on inmate medical, dental, and psychiatric services has more than tripled over the past two decades, rising from an inflation-adjusted \$590.2 million in 1994-95 to a projected \$2.0 billion in 2013-14.³⁷

In addition, the difficulty of reducing fixed costs – such as utilities, leases, and support staff – likely has contributed to the rising cost per inmate since 2010-11, a period in which the prison population has declined at an unprecedented pace. This is because fixed costs would not necessarily be expected to decline in tandem with the drop in the number of prisoners, particularly over a relatively short period. To the extent that fixed costs decline more slowly than the prison population does, the cost per inmate would be expected to increase, other things being equal.

Table 2: The Number of State Inmates Has Declined to About the 1994-95 Level, But the Cost Per Inmate Is Substantially Higher

| | Average Daily Inmate Population* | Cost Per Inmate (2013-14 Dollars) | Inmate-to-Staff Ratio |
|------------------------------------|----------------------------------|-----------------------------------|-----------------------|
| 1994-95 | 121,656 | \$32,933 | 3.84:1 |
| 2010-11 | 147,438 | \$52,153 | 3.02:1 |
| 2013-14** | 121,723 | \$60,032 | 2.19:1 |
| Percent Change, 1994-95 to 2013-14 | 0.1% | 82.3% | -43.0% |
| Percent Change, 2010-11 to 2013-14 | -17.4% | 15.1% | -27.5% |

* Reflects adult offenders housed in state prisons and fire camps.
** Projected as of January 2013.
Source: Department of Finance

The Number of Parolees Has Declined to Well Below the 1994-95 Level, But the Inflation-Adjusted Cost Per Parolee Has More Than Tripled

The number of parolees under the CDCR’s supervision has dropped precipitously since realignment took effect. The average daily number of parolees is projected to be less than 48,000 in 2013-14 – down by nearly half (48.8 percent) compared to the 1994-95 level of about 93,000 and by more than half (55.6 percent) compared to the 2010-11 level of approximately 107,000 (Table 3).³⁸ At the same time, the state’s *cost per parolee* has continued to rise. California is expected to spend well over \$10,000 per parolee in 2013-14.³⁹ This is more than triple the 1994-95 level, when the state spent approximately \$3,300 for every parolee, and 45.0 percent higher than in 2010-11, when the state spent closer to \$7,000 per parolee, after adjusting for inflation.⁴⁰

Several factors have contributed to the rising cost per parolee.⁴¹ For example, the state provides a number of services to parolees that were not available two decades ago – such as sex offender treatment and substance abuse services – and has added staff in response to various lawsuits.⁴² In addition, Proposition 83 of 2006 (“Jessica’s Law”) requires registered sex offenders to wear Global Positioning System (GPS) monitoring devices while on parole as well as for the rest of their lives – an unfunded mandate that has increased the parole division’s workload.⁴³ Furthermore, the difficulty of reducing fixed costs, as discussed above, likely has contributed to the increase in spending per parolee, particularly given the sharp drop in parolees after 2010-11.⁴⁴

Table 3: The Number of State Parolees Is Well Below the 1994-95 Level, But the Cost Per Parolee Is Substantially Higher

| | Average Daily Parolee Population | Cost Per Parolee (2013-14 Dollars) | Parolee-to-Staff Ratio |
|------------------------------------|----------------------------------|------------------------------------|------------------------|
| 1994-95 | 93,079 | \$3,344 | N/A |
| 2010-11 | 107,167 | \$7,364 | 24.76:1 |
| 2013-14* | 47,621 | \$10,676 | 25.80:1 |
| Percent Change, 1994-95 to 2013-14 | -48.8% | 219.3% | — |
| Percent Change, 2010-11 to 2013-14 | -55.6% | 45.0% | 4.2% |

N/A = not available

* Projected as of January 2013.

Source: Department of Finance

Salary increases do not appear to have contributed significantly to rising costs per parolee. For example, according to the CDCR, the mid-step monthly salary level for a parole agent is projected to be \$6,402 in 2013-14 – only slightly (0.6 percent) higher than the inflation-adjusted 1994-95 level of \$6,361.⁴⁵ Staffing levels have not contributed to rising costs per parolee, either – at least not since 2010-11.⁴⁶ In fact, the number of parole staffers has *dropped* along with the number of parolees. In 2010-11, there were roughly 4,300 parole staffers for about 107,000 parolees, based on a parolee-to-staff ratio of 24.76-to-1.⁴⁷ In 2013-14, there are expected to be closer to 1,800 staffers for about 48,000 parolees, based on a projected parolee-to-staff ratio of 25.80-to-1.⁴⁸ In other words, both the number of parole employees and the number of parolees have dropped by more than half in recent years.

Conclusion

State corrections spending after the 2011 realignment presents a mixed picture. On the one hand, realignment has resulted in significant savings in the state corrections budget. In 2013-14, for example, the state projects General Fund savings of \$1.3 billion due to transferring responsibility for low-level offenders and parolees to counties. On the other hand, these state corrections savings are mostly offset by new county corrections expenditures – a projected \$1.1 billion in 2013-14 – that are funded with dedicated revenues provided by the 2011 realignment. Adjusting the roughly \$9 billion state corrections budget to reflect the shift of revenues and responsibilities to counties shows that total state corrections spending actually exceeds \$10 billion per year. Still, this adjusted spending level is likely to be lower than it would have been absent realignment by a couple hundred million dollars in 2013-14 and by a slightly larger amount each year after that. This is because counties receive less funding per year to house and supervise low-level offenders and parolees than the state likely would have spent for these same populations if realignment had not been implemented.

Reducing state corrections spending was an important goal of the 2011 realignment, but it was not the only objective. Realignment has brought California closer to complying with a federal court order to reduce overcrowding in state prisons. In addition, realignment could improve outcomes for offenders in counties that invest resources in alternatives to incarceration. However, while realignment holds great promise, it should be viewed as one major step in transforming California’s criminal justice system, rather than as the final stage of the process. In part, the next steps in corrections reform will involve evaluating realignment’s effects at the local level. This includes analyzing how counties

are spending their realignment dollars, examining the extent to which recidivism is being reduced, and assessing the links, if any, between realignment and crime rates.

Additional steps in corrections reform must also be taken at the state level. In particular, policymakers should consider options to further decrease state corrections spending in the wake of realignment. New strategies are needed to continue reducing the number of inmates – in ways consistent with public safety – both to comply with the federal court’s population-reduction order and to lessen the strain on the state budget. Greater scrutiny of state corrections spending is also essential, particularly given that per capita costs today are substantially higher than in the mid-1990s, even after adjusting for inflation. Certainly, increases

in corrections spending may be warranted in some cases, such as to expand and improve rehabilitation services. In other cases, higher expenditures may be unavoidable, particularly for inmate health care, which remains under the direct management of a federal Receiver.

On balance, however, policymakers continue to have choices about how much funding is allocated to the state corrections budget and how those dollars are spent. Making additional progress toward reducing – or at least holding the line on – corrections spending would free up scarce General Fund dollars that could be redirected to essential state priorities in the years ahead.

Scott Graves prepared this Budget Brief. This Budget Brief was made possible in part by a grant from the Rosenberg Foundation. The CBP was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. General operating support for the CBP is provided by foundation grants, subscriptions, and individual contributions. Please visit the CBP’s website at www.cbp.org.

ENDNOTES

- ¹ Prior to 2012-13, the BSCC was called the Corrections Standards Authority and was included in the CDCR’s budget. State corrections expenditures reported in this *Budget Brief* reflect General Fund, special fund, and federal dollars budgeted through the CDCR and the BSCC, excluding expenditures for corrections-related infrastructure projects.
- ² General Fund revenues are the primary source of state funding for programs and services and are flexible – that is, they are not restricted to a particular purpose. Special funds account for taxes, licenses, and fees that are designated by law for a specific purpose.
- ³ California began transferring inmates to correctional facilities in other states in 2006 in order to help reduce overcrowding in state prisons. California currently contracts with the Corrections Corporation of America to house roughly 8,300 inmates in four facilities located in Arizona, Mississippi, and Oklahoma.
- ⁴ According to the Legislative Analyst’s Office, “only juveniles adjudicated for a serious, violent, or sex offense can be sent to state facilities by the juvenile courts. As a result, 99 percent of juvenile offenders are housed or supervised by counties.” Legislative Analyst’s Office, *The 2012-13 Budget: Completing Juvenile Justice Realignment* (February 15, 2012), p. 3.
- ⁵ For an overview of the 2011 realignment and the services transferred to counties, see California Budget Project, *Finishing the Job: Moving Realignment Toward Completion in 2012* (June 2012).
- ⁶ The Legislature redirected to counties 1.0626 cents of the state sales tax rate and a portion of Vehicle License Fee revenues. Proposition 30, approved by voters in November 2012, added this revenue shift to the state Constitution, thereby ensuring counties ongoing, dedicated funding to support the realigned programs. For a description of the relationship between Proposition 30 and realignment, see California Budget Project, *Finishing the Job: Moving Realignment Toward Completion in 2012* (June 2012).
- ⁷ Department of Finance, *Governor’s Budget 2013-14 Revised Budget Detail*, budget codes 5196, 5296, 5396, 5496, 5596, and 5696, accessed on June 5, 2013, from <http://www.ebudget.ca.gov/2013-14/Revised/StateAgencyBudgets/5210/agency.html>.
- ⁸ For a list of accounts and subaccounts, see Department of Finance, *Governor’s Budget 2013-14 Proposed Budget Detail*, budget code 5196, “2011 State-Local Realignment,” p. HHS 3, at <http://www.ebudget.ca.gov/2013-14/pdf/GovernorsBudget/4000/5196.pdf>.
- ⁹ In addition to the two subaccounts described in this section, the Law Enforcement Services Account includes a District Attorney and Public Defender Subaccount, a Trial Court Security Subaccount, and an Enhancing Law Enforcement Activities Subaccount. This latter subaccount provides funding for a dozen local public safety grant programs, including juvenile camps and ranches. Prior to the 2011 realignment, juvenile camps and ranches were funded with state special fund dollars provided through the CDCR’s budget (for example, \$24.2 million in 2010-11). However, because funding for juvenile camps and ranches was relatively small – and that funding came from a special fund, not the General Fund – this *Budget Brief* excludes this fund shift from the subsequent analysis.
- ¹⁰ The term “low-level” generally refers to offenders or parolees who have committed non-violent, non-serious, non-sex crimes. Counties also assumed responsibility for a wide range of parole violators – that is, individuals who violate a condition of their parole while being supervised by either the state or a county. Offenders whose parole is revoked due to a violation generally must serve their revocation term in county jail rather than in state prison. The exception relates to parolees who are released from prison after serving a life sentence with the possibility of parole – these individuals may be returned to state prison if they violate a condition of their parole. For a review of counties’ new responsibilities for low-level offenders and parolees, see California Budget Project, *Steady Climb: State Corrections Spending in California* (September 2011) and Legislative Analyst’s Office, *The 2012-13 Budget: The 2011 Realignment of Adult Offenders – An Update* (February 22, 2012), pp. 7-8.
- ¹¹ This change was implemented on a *prospective* basis, meaning that counties assumed responsibility for low-level offenders convicted or paroled on or after October 1, 2011, with full implementation expected to occur in 2014-15.

- ¹² Department of Finance, *Governor's Budget 2013-14 Revised Budget Detail*, budget code 5496, accessed on June 5, 2013, from <http://www.ebudget.ca.gov/2013-14/Revised/StateAgencyBudgets/5210/agency.html>.
- ¹³ Legislative Analyst's Office, *2011 Realignment: Addressing Issues to Promote Its Long-Term Success* (August 19, 2011), p. 23.
- ¹⁴ Department of Finance, *Governor's Budget 2013-14 Revised Budget Detail*, budget code 5696, accessed on June 5, 2013, from <http://www.ebudget.ca.gov/2013-14/Revised/StateAgencyBudgets/5210/agency.html>.
- ¹⁵ See California Department of Corrections and Rehabilitation, *Monthly Report of Population as of Midnight September 30, 2011* (October 5, 2011) and *Monthly Report of Population as of Midnight May 31, 2013* (June 5, 2013).
- ¹⁶ The CDCR assigns minimum-security inmates to fire – or conservation – camps that are jointly operated with the California Department of Forestry and Fire Protection. Inmates help fight fires, respond to other emergencies, and work on conservation projects on public lands.
- ¹⁷ Email communication from the California Department of Corrections and Rehabilitation (May 20, 2013). Furlough-related savings totaled \$139.4 million in 2011-12 and \$238.6 million in 2012-13. CDCR's furlough policy is scheduled to expire on July 1, 2013. Email communication from the California Department of Corrections and Rehabilitation (June 14, 2013).
- ¹⁸ The CDCR also notes that "employer costs for retirement and health care have risen since 2010-11." Email communication from the California Department of Corrections and Rehabilitation (May 20, 2013).
- ¹⁹ A workload budget refers to the estimated "cost of currently authorized services," adjusted for a number of changes, including enrollment, population, required cost-of-living adjustments, and federal mandates. Department of Finance, *Finance Glossary of Accounting and Budgeting Terms* (no date).
- ²⁰ California Department of Corrections and Rehabilitation, *The Future of California Corrections: A Blueprint to Save Billions of Dollars, End Federal Oversight, and Improve the Prison System* (April 2012), Appendix A. See also Legislative Analyst's Office, *The 2012-13 Budget: State Should Consider Less Costly Alternatives to CDCR Blueprint* (May 16, 2012), p. 2.
- ²¹ California Department of Corrections and Rehabilitation, *The Future of California Corrections: A Blueprint to Save Billions of Dollars, End Federal Oversight, and Improve the Prison System* (April 2012), p. 2.
- ²² Department of Finance, Office of State Audits and Evaluations, *Performance Audit: California Department of Corrections and Rehabilitation, "The Future of California Corrections" Blueprint Fiscal Benchmarks, July 1, 2012 Through June 30, 2013* (March 2013), p. 5. This report notes that "audit conclusions were formulated by analyzing fiscal year-to-date data as of December 31, 2012 and projections for the period January 1, 2013 through June 30, 2013 developed by CDCR; actual results as of June 30, 2013 may differ from the projected conclusions as reported" (p. 3).
- ²³ California Department of Corrections and Rehabilitation, *The Future of California Corrections: A Blueprint to Save Billions of Dollars, End Federal Oversight, and Improve the Prison System* (April 2012), p. 15.
- ²⁴ The debt-service estimate assumes that the state would have had to sell up to \$7.5 billion in lease-revenue bonds. California Department of Corrections and Rehabilitation, *The Future of California Corrections: A Blueprint to Save Billions of Dollars, End Federal Oversight, and Improve the Prison System* (April 2012), p. 15.
- ²⁵ At the time that realignment took effect, the federal court order required the state to reduce the prison population to 137.5 percent of design capacity by June 27, 2013. That deadline was later extended to December 31, 2013.
- ²⁶ Department of Finance, *Governor's Budget 2013-14 Revised Budget Detail*, budget code 5496, accessed on June 5, 2013, from <http://www.ebudget.ca.gov/2013-14/Revised/StateAgencyBudgets/5210/agency.html>. Counties are also projected to spend \$1.1 billion in realignment revenues in 2014-15 for these same purposes.
- ²⁷ According to one observer, the "state funding model for realignment does not intend to cover the costs of managing realigned offenders in the same way the state did. Rather, counties are expected to lock up offenders less and to rehabilitate more." Dean Misczynski, *Corrections Realignment: One Year Later* (Public Policy Institute of California: August 2012), p. 32.
- ²⁸ As noted in a previous section, these grants are the Youthful Offender Block Grant and the Juvenile Reentry Grant.
- ²⁹ Department of Finance. The average daily population, per capita cost, and staffing ratio data reported in this section are from proposed budgets published by the Department of Finance in January 1996, January 2012, and January 2013. Data for 1994-95 and 2010-11 reflect prior-year "actuals," whereas data for 2013-14 reflect projections as of January 2013 – the most recent month for which these projections are available.
- ³⁰ Department of Finance.
- ³¹ Department of Finance. Without adjusting for inflation, the state spent \$48,895 per inmate in 2010-11 and \$20,555 per inmate in 1994-95.
- ³² The factors discussed in this paragraph were cited in an email communication from the California Department of Corrections and Rehabilitation (May 20, 2013).
- ³³ The total number of staffers is a CBP estimate based on Department of Finance data. The calculation is as follows: 121,656 average daily inmates / 3.84 = 31,681 staff in state "institutions," which reflects state prisons and fire camps. This estimated 1994-95 staffing level reflects all staff – not just correctional officers – associated with prisons and fire camps and includes the full-time position equivalent of overtime expenditures, according to the CDCR.
- ³⁴ The total number of staffers – technically, "authorized positions" assumed in the Governor's proposed budget – is a CBP estimate based on Department of Finance data. The calculation is as follows: 121,723 average daily inmates / 2.19 = 55,581 authorized positions in state "institutions," which reflects state prisons and fire camps. This estimated 2013-14 staffing level reflects all positions – not just correctional officer positions – associated with prisons and fire camps and includes the full-time position equivalent of overtime expenditures, according to the CDCR.
- ³⁵ "Mid-step" refers to the midpoint of a salary range for a particular job classification. Without adjusting for inflation, the mid-step monthly salary level for a correctional officer was \$3,085 in 1994-95. Email communication from the California Department of Corrections and Rehabilitation (May 20, 2013).
- ³⁶ Legislative Analyst's Office, *Providing Constitutional and Cost-Effective Inmate Medical Care* (April 19, 2012), p. 5.
- ³⁷ Department of Finance. Without adjusting for inflation, the state spent \$368.4 million on inmate medical, dental, and psychiatric care in 1994-95. State budget documents display two additional health-related categories for 2013-14: ancillary services (\$178.4 million) and health care administration (\$35.9 million). However, this analysis excludes these expenditures because budget documents do not display equivalent categories for 1994-95.
- ³⁸ Department of Finance. The average daily population, per capita cost, and staffing ratio data reported in this section are from proposed budgets published by the Department of Finance in January 1996, January 2012, and January 2013. Data for 1994-95 and 2010-11 reflect prior-year "actuals," whereas data for 2013-14 reflect projections as of January 2013 – the most recent month for which these projections are available.
- ³⁹ Department of Finance.
- ⁴⁰ Department of Finance. Without adjusting for inflation, the state spent \$6,904 per parolee in 2010-11 and \$2,087 per parolee in 1994-95.

- ⁴¹ The factors discussed in this paragraph were cited in email communications from the California Department of Corrections and Rehabilitation and the Department of Finance.
- ⁴² Email communications from the Department of Finance (June 4, 2013) and the California Department of Corrections and Rehabilitation (June 5, 2013).
- ⁴³ Email communications from the Department of Finance (June 4, 2013) and the California Department of Corrections and Rehabilitation (June 5, 2013). For an analysis of Proposition 83, see Legislative Analyst's Office, "Proposition 83: Sex Offenders. Sexually Violent Predators. Punishment, Residence Restrictions and Monitoring. Initiative Statute. Analysis by the Legislative Analyst," in Secretary of State's Office, *California General Election Tuesday November 7, 2006: Official Voter Information Guide*, pp. 42-45.
- ⁴⁴ Email communications from the Department of Finance (June 4, 2013) and the California Department of Corrections and Rehabilitation (June 5, 2013).
- ⁴⁵ These figures reflect salary levels for a Parole Agent 1. Without adjusting for inflation, the mid-step monthly salary level for a Parole Agent 1 was \$3,970 in 1994-95. Email communication from California Department of Corrections and Rehabilitation (June 5, 2013).
- ⁴⁶ This analysis does not examine parole staffing levels in 1994-95 because the parolee-to-staff ratio is not available for that year.
- ⁴⁷ The total number of staffers is a CBP estimate based on Department of Finance data. The calculation is as follows: $107,167 \text{ average daily parolees} / 24.76 = 4,328 \text{ parole staffers}$. This estimated 2010-11 staffing level reflects all staff – not just parole agents – associated with state parole operations and includes the full-time position equivalent of overtime expenditures, according to the CDCR.
- ⁴⁸ The total number of staffers – technically, "authorized positions" assumed in the Governor's proposed budget – is a CBP estimate based on Department of Finance data. The calculation is as follows: $47,621 \text{ average daily parolees} / 25.80 = 1,846 \text{ authorized positions}$. This estimated 2013-14 staffing level reflects all positions – not just parole agent positions – associated with state parole operations and includes the full-time position equivalent of overtime expenditures, according to the CDCR.