



## Technical Appendix: Calculating State and County Spending on Incarceration and Responding to Crime

This document describes the methodology that the Budget Center used to determine state and county spending on incarceration and responding to crime in 2014-15, the fiscal year that ended on June 30, 2015. The Budget Center's findings are summarized in Chris Hoene and Scott Graves, *California State and County Governments Spend More Than \$20 Billion Annually on Incarceration and Responding to Crime* (California Budget & Policy Center: October 2016), available at [http://calbudgetcenter.org/Fact-Sheet\\_State-and-County-Spending-Over-20B/](http://calbudgetcenter.org/Fact-Sheet_State-and-County-Spending-Over-20B/)

This technical appendix provides:

- A summary of data sources.
- A general overview of the Budget Center's methodology.
- Descriptions of how the Budget Center calculated state and county expenditures related to incarceration and responding to crime.
- Technical notes regarding the county expenditure data.

### Data Sources

Data on state and county spending on incarceration and responding to crime come from two sources:

- The enacted 2016-17 state budget published by the California Department of Finance (DOF), which displays actual expenditures for the 2014-15 fiscal year.<sup>1</sup>
- County financial data reported by the State Controller's Office (SCO).<sup>2</sup>

### General Overview of the Budget Center's Methodology

The Budget Center's analysis:

- Reflects expenditures for 2014-15 because this is the most recent fiscal year for which county spending data are available from the SCO.

- Does not adjust expenditures for inflation.
- Includes both operating expenditures and spending on capital outlay (infrastructure), the latter of which is primarily funded with bond dollars.
- Excludes expenditure data for the City and County of San Francisco. The SCO does not provide information for San Francisco that is comparable to the data reported for the state's other 57 counties.
- Excludes expenditures related to the cost of policing that is provided by county sheriff's departments and city police departments.<sup>3</sup>
- Excludes from *state* spending the dollars that the state provides to counties as a result of the 2011 public safety "realignment."<sup>4</sup> In 2011, counties assumed programmatic and financial responsibility for a number of programs that previously were funded – and, in some cases, operated – by the state. In addition, state policymakers redirected to counties two existing sources of revenue to cover the cost of the realigned programs. This annual realignment funding supports counties' roles in providing trial court security, managing many adults convicted of "lower-level offenses," providing services to youth involved in the juvenile justice system, and carrying out other public safety responsibilities.<sup>5</sup> These dollars are reflected in the state budget as well as in the SCO's county expenditure data. The Budget Center excludes these realignment funds from the *state* spending totals in order to avoid double-counting them in both the state and county categories.

## Calculating Expenditures Related to Incarceration

The "incarceration" category generally accounts for spending associated with detaining defendants in jail prior to a trial, imprisoning individuals who have been sentenced to jail or to state prison, and supervising people who have completed a prison sentence and been released to state parole. State and county spending on incarceration totaled **\$15.1 billion** in 2014-15.

### State-Level Expenditures (\$10.8 Billion)

The state-level total reflects selected spending budgeted through the California Department of Corrections and Rehabilitation (CDCR) in 2014-15.<sup>6</sup> This total includes:

- **\$9.9 billion** for CDCR state operations, which is composed almost entirely of state General Fund dollars but also includes small amounts of state special fund and federal dollars.
  - Most of this spending supported California's prison and parole systems in 2014-15, including statewide administration; general prison security; inmate support; contracted facilities; rehabilitative programs; prison health, mental health, and dental care; and parole operations.

- The remaining spending supported state youth correctional operations and services (\$173.0 million); peace officer selection and employee development (\$100.5 million); and California Department of Justice legal services related to ongoing litigation over conditions in state prisons (\$40.7 million).

The state-level total also includes:

- **\$887.4 million** for CDCR capital outlay.

## County-Level Expenditures (\$4.3 Billion)

The county-level total includes the following operating expenditures:

- **\$3.1 billion** for adult detention.
- **\$1.1 billion** for juvenile detention.
- **\$12.1 million** for jail facilities.

The county-level total also includes:

- **\$62.9 million** for related capital outlay.

## Calculating Expenditures Related to Responding to Crime

The “responding to crime” category generally accounts for spending that is incurred after a crime has been committed, excluding any costs related to incarceration. State and county spending on responding to crime totaled **\$5.6 billion** in 2014-15.<sup>7</sup>

### State-Level Expenditures (\$1.4 Billion)

The state-level total includes selected judicial branch expenditures. These amounts reflect one-half of the expenditures displayed in the state budget. This is because this analysis assumes that one-half of trial court spending is related to *criminal* cases, as opposed to *civil* cases.<sup>8</sup>

The state-level total includes the following operating expenditures:

- **\$1.3 billion** for trial courts that is budgeted as local assistance.<sup>9</sup> This funding is composed of state General Fund and county dollars as well as state special fund and federal revenues.
- **\$7.8 million** for trial courts that is included in the state operations budget of the Judicial Council.<sup>10</sup> This funding is composed of state General Fund and county dollars along with certain fee revenue.

The state-level total also includes:

- **\$89.7 million** for judicial branch capital outlay.

## County-Level Expenditures (\$4.3 Billion)

The county-level total includes the following operating expenditures:

- **\$1.5 billion** for district attorney prosecution.
- **\$1.5 billion** for probation.
- **\$819.4 million** for public defenders.
- **\$359.8 million** for “other trial court” activities.<sup>11</sup> This amount is equal to one-half of the expenditure reported by the SCO for 2014-15. As noted above, the Budget Center’s analysis assumes that one-half of trial court spending is related to criminal (as opposed to civil) cases.<sup>12</sup>
- **\$33.0 million** for the care of court wards.
- **\$8.3 million** for grand juries.

The county-level total also includes:

- **\$16.4 million** for related capital outlay.

## Technical Notes Regarding the County Expenditure Data Reported by the State Controller’s Office

Counties are required to annually report financial information, including expenditures, to the State Controller’s Office. The SCO compiles this information and makes it available on a website dedicated to California government financial reports.<sup>13</sup> County financial data are provided on a uniform and comparable basis for 57 of California’s 58 counties, excluding the City and County of San Francisco, which reports as a city.

## Spending Categories and Line Items

The SCO divides county expenditures into major categories, such as “Public Protection” and “Public Assistance,” with each category containing several specific line-item expenditures. Individual SCO line items encompass both operating expenditures and related capital outlay spending (if applicable). The Budget Center’s analysis classifies selected SCO line items into two new categories: either “incarceration” or “responding to crime.”<sup>14</sup>

## Definitions of Line Items Included in the Incarceration Category

The Budget Center's incarceration category is based on the following SCO line items:<sup>15</sup>

- **Adult Detention:** Expenditures related to holding people who are charged with or convicted of a crime in a county jail or adult detention facility.
- **Juvenile Detention:** Expenditures related to housing juvenile court wards in juvenile homes, ranches, or camps.
- **Jails:** Expenditures related to operating jail facilities.

## Definitions of Line Items Included in the Responding to Crime Category

The Budget Center's responding to crime category is based on the following SCO line items:<sup>16</sup>

- **District Attorney (Prosecution):** Expenditures incurred in prosecuting individuals charged with public offenses, in addition to providing legal counsel to the grand jury.
- **Probation:** Expenditures incurred in supervising people released into the community due to receiving probation.
- **Public Defender:** Expenditures incurred for providing legal assistance to indigents.
- **Other Trial Court Expenditures:** Court-related expenditures for which counties are responsible and that are not reflected in other SCO line items. These include facility costs paid by the county and court security provided by the sheriff's department.
- **Care of Court Wards:** Expenditures incurred in providing public assistance and services to youths who are in the custody of the court.
- **Grand Jury:** Expenditures incurred in investigating possible misconduct by public officials and in examining the condition and management of prisoners within the county, along with other allowable charges.

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<sup>1</sup> The enacted 2016-17 state budget is available at: <http://www.ebudget.ca.gov/2016-17/Enacted/agencies.html>.

<sup>2</sup> SCO county financial information is available at: <https://bythenumbers.sco.ca.gov/>.

<sup>3</sup> City police expenditures are not included in the SCO's county spending data. The SCO displays county expenditures for policing provided by sheriff's departments in a "Police Protection" line item within the "Public Protection" expenditure category. This line item accounts for the cost of preventing *and* detecting crime – the latter of which could arguably be considered "responding to crime." However, the SCO data do not indicate how much sheriff's departments spend on crime *prevention* as opposed to crime *detection*. Because it is not possible to determine how much counties spend on crime *detection*, the Budget Center's analysis excludes *all* county

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spending in the "Police Protection" line item in order to avoid overstating expenditures associated with "responding to crime."

<sup>4</sup> For an overview of the 2011 realignment, see Scott Graves, *Finishing the Job: Moving Realignment Toward Completion in 2012* (California Budget & Policy Center: June 2012). Annual funding for the 2011 realignment is displayed in state budget code 5196.

<sup>5</sup> Counties also assumed responsibility for a number of health and human services programs as part of the 2011 realignment.

<sup>6</sup> CDCR spending is displayed in state budget code 5225. The Budget Center's analysis of state-level spending excludes \$155.3 million for local assistance that was budgeted through the CDCR in 2014-15. Most of this funding (\$124.8 million) flowed to county probation departments through a program that provides counties with financial incentives to reduce the number of people sent to state prison for failing local probation. Any CDCR local assistance dollars that counties received in 2014-15 would be reflected in the county expenditures reported by the SCO. Consequently, these funds are excluded from the Budget Center's state spending totals in order to avoid double-counting these dollars in both the state and county categories. In addition, the Budget Center's analysis excludes from state spending any dollars that were budgeted through the independent Board of State and Community Corrections (BSCC). For example, this analysis excludes \$114.1 million in BSCC local assistance funding that was provided to cities and counties in 2014-15 (see state budget code 5227). To the extent that these dollars flowed to counties to support activities related to incarceration or responding to crime, they would be reflected in the SCO's county expenditure data and thus captured in the Budget Center's county spending totals. (No capital outlay dollars and just \$13.5 million in state operations dollars were spent through the BSCC in 2014-15.)

<sup>7</sup> The state and county subtotals in this category do not sum to the total due to rounding.

<sup>8</sup> This assumption is based on guidance from the Legislative Analyst's Office (LAO), using 2009-10 judicial branch spending as a baseline. More recent data are not available because the judicial branch no longer collects this information in a way that distinguishes criminal cases from civil cases, according to the LAO.

<sup>9</sup> This spending is referred to as "State Trial Court Funding." See state budget code 0250.

<sup>10</sup> This spending is designated for "Trial Court Operations." See state budget code 0250.

<sup>11</sup> Based on guidance from the LAO, the Budget Center's analysis assumes that county spending on "other trial court" activities – which is part of the SCO's "Public Protection" category – is *not* also reflected in the state's trial court budget. Therefore, this expenditure is *included* in the Budget Center's calculation of county spending. In contrast, the Budget Center *excludes* two other court-related expenditures – which are also part of the SCO's "Public Protection" category – from the county spending total: "Trial Court Maintenance of Effort (MOE)" and "Fifty Percent Excess Revenue Calculation." These county dollars are remitted to the state for the support of trial courts and thus are reflected in the state budget. By excluding these funds from the county total, the Budget Center's analysis avoids double-counting any portion of these county dollars in both the state and county categories.

<sup>12</sup> This assumption is based on guidance from the LAO, using 2009-10 judicial branch spending as a baseline. More recent data are not available because the judicial branch no longer collects this information in a way that distinguishes criminal cases from civil cases, according to the LAO.

<sup>13</sup> SCO county financial information is available at: <https://bythenumbers.sco.ca.gov/>.

<sup>14</sup> The line items included in this analysis come from three SCO county spending categories: "General," "Public Assistance," and "Public Protection."

<sup>15</sup> Each of the three line items in this category presumably includes a portion of sheriff's department expenditures. Definitions of these line items generally come from State Controller's Office, *Counties Financial Transactions Report Instructions* (September 2015), pp. 49-50.

<sup>16</sup> Definitions of these line items come from State Controller's Office, *Counties Financial Transactions Report Instructions* (September 2015), pp. 48-50 and 58.