



**CPPCA Budget Update:  
Governor Newsom Releases 2021-22 Proposed Budget**

January 8, 2021

Today, Governor Newsom released a \$227.2 billion proposed state budget for 2021-22. The budget proposal reflects a total of \$22 billion in reserves, \$15.6 billion of which is the Rainy-Day Fund to continue to be prepared to respond to future economic needs and downturns. These reserves, along with a one-time discretionary surplus, will be important as the State has a projected structural deficit of \$7.6 billion for 2022-23 that is forecast to grow to over \$11 billion by 2024-25. This budget also makes a record investment of \$85.8 billion for education with the highest per pupil spending.

The Governor highlighted this budget's focus and priorities which include:

- Vaccinations
- Safely reopen schools
- Support small business
- Money to support Californians
- Wildfire preparedness

The final budget is due to the Governor by June 15 and must be signed into law by July 1, 2021.

Below is an overview of items of interest. The full budget summary can be viewed at:

<http://www.ebudget.ca.gov/2021-22/pdf/BudgetSummary/FullBudgetSummary.pdf>

**Items of Note**

- **California Department of Corrections and Rehabilitation**
  - **Inmate Rehabilitation and Reentry** – The Budget includes \$546.9 million General Fund for rehabilitative programs, nearly double the funding since 2012-13. The Budget also includes \$23.2 million in 2021-22, and \$18 million ongoing for information technology to enhance access to rehabilitative programming and academic programs.
  - **Prison Capacity and Closures** - The average adult inmate population for 2020-21 is projected to be 97,950, a decrease of 20 percent from spring projections. Per the 2020 budget, the Department plans to close Deuel Vocational Institution by September 2021. The Administration plans to close a second state-operated prison in 2022-23.

- **Staff Development and Support** – Includes \$21.2 million in 2021-22 to enhance staff development through new training and would entail the repurposing of the former Northern California Women’s Facility into a new hands-on training facility.
- **DJJ Realignment** – The Budget provides an overview of the funding and transition of DJJ youth pursuant to SB 823. The 2021-22 estimated population is expected to be 729, a reduction of 126 compared to the spring projections.
  - **Closure Date** – The Budget notes that DJJ is expected to close on June 30, 2023.
  - **Office of Youth and Community Restoration** – Budget includes \$3.4 million in 2021-22 and \$3.1 million ongoing to develop reports on youth outcomes in the juvenile justice system, staff a Child Welfare Council committee, and create an Office Ombudsperson.
- **California Community Corrections Performance Incentive Act (SB 678)** – The Budget notes that in light of the COVID-19 impacts on court processing as well as AB 1950 enactment and the impacts of both on current calculations, the budget provides \$122.9 million statewide to county probation departments, based on the highest payment to individual counties over the prior three fiscal years.
- **Probation Services** – The Budget provides \$50 million one-time funding to county probation departments to support transitions and implementation of programs as noted in the Budget. These funds may be used for services with an emphasis on keeping juveniles and adults out of the criminal justice system, moving them quickly and successfully through the system, and keep them from reentering the system.
- **CCP Implementation Grants** - The budget continues to propose \$7.95 million to go out to the counties that report on their realignment efforts to the BSCC. Counties are eligible to receive funding if they submit a report to the Board of State and Community Corrections annually that provides information about the implementation of the Community Corrections Partnership plan accepted by the County Board of Supervisors pursuant to Section 1230.1 of the Penal Code. As in years past, the funds would be distributed based on the most recent county population as follows: (1) \$100,000 to each county with a population of 0 to 200,000, inclusive, (2) \$150,000 to each county with a population of 200,001 to 749,999, inclusive, and (3) \$200,000 to each county with a population of 750,000 and above.
- **PRCS Mitigation Funding** – The Budget proposes \$19.5 million for county probation departments to supervise the temporary increase in the average daily populations of offenders on PRCS as a result of the implementation of Proposition 57.

### **Health and Human Services**

- **California Advancing and Innovating Medi-Cal (CalAIM)**
  - Proposes to implement CalAIM effective January 1, 2022
  - Budget includes \$1.1 billion in 2021-22 which will provide for enhanced care management and expand whole person care approaches.

- **Community Behavioral Health Treatment**
  - \$750 million is included for competitive grants to counties to acquire and rehabilitate real estate to expand the community continuum of behavioral health treatment resources to address individuals experiencing a crisis and as part of a framework to mitigate and address homelessness.
- **Student Mental Health**
  - The Budget includes one-time \$400 million available over multiple years for the Department of Health Care Services to implement an incentive program through Medi-Cal managed care plans, in coordination with county behavioral health departments and schools.
  - \$25 million one-time MHSA available over five years to augment the Mental Health Student Services Act Partnership Grant for partnerships between county mental health and school districts.
  - \$25 million ongoing Prop 98 to fund partnerships with county behavioral health to support student mental health services.

### **Judicial Branch**

The Budget includes \$72.2 million ongoing GF, an increase of 3.7 percent compared to 2020, for the trial courts to help address impacts of COVID-19.

- **Fines and Fees** – The Budget includes \$12.3 million in 2021-22, increasing to \$58.4 million ongoing to expand the Judicial Council ability to pay program statewide and incorporate both traffic and non-traffic infractions. The ongoing costs include \$2.7 million to implement an online application system and \$55.7 million to backfill the estimate loss in revenue to support trial court operations. This will be implemented on a phased schedule with several courts joining each year.
- **Pandemic Early Disposition Calendar Program** – The Administration plans to work with the Legislature and the Judicial Council to establish a Pandemic Early Disposition Calendar Program, which would create opportunities for certain defendants to be eligible for diversion. Consideration will be given to dismiss charges for defendants who have no violations or new charges while participating in a diversion program.

### **Department of Justice**

- **Use of Force Investigations** – The Budget provides \$13 million in 2021-22 to establish three teams (northern, central, southern) to conduct investigations pursuant to AB 1506. AB 1506 also requires DOJ, commencing July 1, 2023 to operate a Police Practices Division to review and make recommendations on the use of deadly force policies.
- **Juvenile Court and Probation Statistical System** – The Budget includes \$1.9 million in 2021-22 and \$1 million in 2022-23 to convene a working group to submit a plan for the replacement of the Juvenile Court and Probation Statistical System with a modern database.

## Department of State Hospitals

- **Community Based Restoration** – The budget includes \$9.8 million in 2020-21 to expand the current Los Angeles County Community Based Restoration program and establish new programs in additional counties. This proposal is projected to increase capacity by up to 250 beds in 2021-22.
- **Felony Incompetent to Stand Trial** - The number of IST's pending placement into the state hospital system was approximately 1,428 individuals in December 2020.
  - **Community Care Demonstration Project for Felony IST** – The budget includes \$233.2 million General Fund in 2021-22 and \$136.4 million General Fund in 2022-24 and ongoing to contract with three counties to provide a continuum of services to felony IST's in the county as opposed to state hospitals. This proposal would serve up to 1,252 IST's in the county continuum in 2021-22.
  - **IST Diversion** – The budget includes \$46.4 million one-time, available over three years, to expand the current IST Diversion program in current and new counties.
  - **Jail Based Competency** – The budget includes \$785,000 in 2020-21 and \$6.3 million in 2021-22 to expand jail-based competency to seven additional counties.

## Other Items of Note

- **Proposition 47** - Currently estimates reflect General Fund savings of \$114.8 million, an increase of \$11.9 million over the estimated savings in 2020-21. This is attributable primarily to increased savings resulting from the end of the state's use of contract facilities. 65 percent will be allocated for grants to public agencies to support recidivism reduction programs.
- **Penal Code Revision Committee** – The budget includes \$494,000 for additional staffing for the Committee on Revision of the Penal Code.
- **COVID-19** - Current estimates of total direct COVID-19 emergency response costs are approximately \$13 billion, with an estimated General Fund impact of approximately \$2.5 billion. This represents costs incurred in the prior fiscal year as well as projected costs in the next few years.
- **CARES** - The State has obligated or spent nearly \$8.7 of the \$9.5 billion authorized by the CARES Act as included in the 2020 budget. The State is finalizing the allocation of the remaining \$800 million to pay for additional emergency response costs.
- **Vaccine Related Efforts** - \$300 million initial investment for vaccine distribution and public awareness campaign