



**CPPCA Budget Memo:
Governor Newsom Releases 2021-22 May Revision**

May 14, 2021

Today the Governor released his May Revision to the 2021-22 budget which reflects a projected \$75.7 billion surplus. Additionally, the budget proposal reflects a total of a record high \$24.4 billion in reserves, \$15.9 billion of which is the Rainy-Day Fund to continue to be prepared to respond to future economic needs and downturns.

Over the last week, the Governor has announced components of his \$100 billion [California Comeback Plan](#) which includes, among other proposals already approved by the Legislature, the following:

- \$12 billion state tax rebate.
- \$12 billion to address homelessness, including \$8.75 billion to build affordable housing and buy up properties under the state's project Homekey and \$1.5 billion in cleanup and beautification projects near highways.
- \$20 billion to public schools - Proposals include \$4 billion over five years to provide behavioral health treatment to all Californians under the age of 25, \$2.7 billion to extend transitional kindergarten to every 4-year-old, and \$2 billion to create \$500 college savings accounts for millions of children.
- \$5 billion in drought mitigation and water infrastructure repairs.
- \$1.5 billion to add another round of small business grants up to \$25,000, for a total of \$4 billion in small business aid.

The final budget is due to the Governor by June 15 and must be signed into law by July 1, 2021. The full budget summary can be viewed at:

<http://www.ebudget.ca.gov/FullBudgetSummary.pdf>

California Department of Corrections and Rehabilitation

- **Rehabilitative Programming** – The January Budget included \$23.2 million in 2021-22, and \$18.4 million ongoing for information technology to enhance access to rehabilitative programming and academic programs. The May Revision builds upon these investments with the following:
 - \$13.7 million in 2021-22 and \$3 million ongoing, to expand programming and undertake facility improvements at Valley State Prison (VSP). This funding would support: 1) additional space for educational and rehabilitative activities; 2) creation of two new baccalaureate degree programs; 3) adding vocational and CTE training opportunities, and 4) provide additional laptops to support education.
 - The May Revision includes \$34.8 million one-time GF to replace existing metal dayroom furniture with more comfortable furniture for positive programming and non-designated program facilities and female institutions with the goal of creating more welcoming and community-like atmospheres.
- **Visitation** – The May Revision includes \$20.3 million ongoing General Fund to add a third day of in-person visitation on Fridays at all institutions.
- **Prison Capacity and Closures** - Consistent with the 2020 Budget Act, the Department plans to close Deuel Vocational Institution in Tracy by September 2021, achieving savings of \$119 million General Fund in 2021-22, and \$150.3 million General Fund annually beginning in 2022-23. The Department also plans to close the California Correctional Center in Susanville, by June 30, 2022. The closure of this facility is estimated to save the state \$122 million General Fund in 2022-23 and ongoing.
- **Board of Parole Hearings** - The May Revision includes \$3.1 million to increase the numbers of BPH commissioners from 17 to 21 to alleviate the backlog of hearings. The May Revision also includes \$1.3 million to deliver services for victims during the parole hearing process.

Additional Items of Note

- **SB 678** – The May Revision makes no changes to the \$122.9 million proposed in January.
- **PRCS Mitigation Funding** – The May Revision proposes \$23.6 million to be appropriated to probation departments to supervise the temporary increase in the average daily population of individuals on PRCS.
- **DJJ Realignment**
 - **Office of Youth and Community Restoration** – The May Revision includes \$7.6 million GF in 2021-22 and \$7.2 million ongoing GF for 33 positions to establish the OYCR and perform the functions laid out in SB 823, including: (1) review of counties’ juvenile justice plans, (2) reporting on youth outcomes and identifying best practices, (3) providing technical assistance to counties, and (4) performing the ombudsperson duties.
 - **Pine Grove Youth Conversation Camp State and Local Partnerships** – The May Revision proposes language to create opportunities for state and local partnerships to maintain firefighting operations at the Pine Grove Youth Conservation Camp.

- **CalVIP** – The January budget includes \$9 million ongoing for the CalVIP program. The May Revision includes \$100 million across the next three fiscal years for the BSCC to expand this program and provide competitive grants to cities and community-based organizations to support community education, diversion programs, outreach to at-risk transitional youth, and violence reduction models.
- **Proposition 47** - The Department of Finance currently estimates net General Fund savings of \$116.2 million, an increase of \$1.4 million over the estimated savings at the Governor's Budget. These funds will be allocated according to the formula outlined in the initiative, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs, 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services.

Judicial Branch

- **Pretrial** – The May Revision includes \$140 million General Fund in 2021-22 and \$70 million ongoing to expand a pretrial pilot program funded with one-time resources in the 2019 Budget Act.
- **Fines and Fees** – The May Revision includes \$300 million one-time federal ARPA funds to support additional relief for low-income Californians in the form of a debt forgiveness program to eliminate debt owed on existing fines and fees for traffic and non-traffic infraction tickets issued between January 1, 2015 and June 30, 2021. Specifically, under this program an individual could apply to have 100 percent of their debt forgiven upon submission of an application verifying their low-income status. The one-time funding covers implementation costs for the trial courts and the backfill of lost revenues that would have otherwise been allocated for court operations and to local governments.
- **Early Disposition Conference Program** – The May Revision includes \$30 million one-time General Fund to support the Early Disposition Readiness Conference Program. In the fall, the Chief Justice initiated this program to expedite adjudications by making temporary assigned judges available to complete readiness conferences to resolve low-level misdemeanors or felony cases before going to trial, providing victims and offenders a timelier resolution.

Health and Human Services

- **Adverse Childhood Experiences** – The May Revision includes \$12.4 million for seven demonstration projects focused on advancing research on, and building approaches to, treating and preventing Adverse Childhood Experiences.
- **Youth Behavioral Health** –The May Revision includes \$1 billion from the federal American Rescue Plan Act's Coronavirus State Fiscal Recovery Fund (ARPA) in 2021-22, \$1.7 billion (\$1.3 billion ARPA, \$300 million General Fund, and \$100 million Federal Trust Fund) in 2022-23, and \$431 million (\$300 million General Fund) ongoing for the Children and Youth Behavioral Health Initiative. Services developed under the Initiative will be provided to children and youth aged 25 and younger, available statewide (in both commercial plans and Medi-Cal), evidence based, culturally competent, and equity focused.
- **Foster Youth Support** – The May Revision includes \$39.2 million to assist counties with serving foster youth with complex needs and behavioral health conditions within California as well as youth that return from an out-of-state congregate placement.

- **Family First Prevention Services Act** – The May Revision includes \$122.4 one-time to be expended over three years to assist counties with new prevention services implementation efforts allowable under the new federal Family First Prevention Services Act.
- **Universal Basic Income Pilot** – The May Revision includes \$35 million over five years for Universal Basic Income pilot programs to be city or county administered, require a local-match commitment, and shall target low-income Californians.
- **Foster Care Emergency Assistance**—The May Revision includes \$24.5 million General Fund and federal TANF block grant funds in 2021-22 to provide caregivers with up to four months of emergency assistance payments pending resource family approval and up to twelve months for cases that meet good cause criteria.

Other Items of Note

- **Coronavirus Fiscal Recovery Funds** – ARPA appropriates \$27 billion to the State and \$7.7 billion for the 58 counties.
- **Victims of Crime Act** – The May Revision includes \$100 million one-time GF for CalOES to supplement federal funding supporting victims' services to allow existing programs to continue, while building capacity to handle the increased need for victims' services and supports.