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California Budget Update: Governor's Budget Seeks Deep Program Cuts But Saves Funds For Youth Crime & Violence Prevention

On January 9th Governor Arnold Schwarzenegger released his proposed FY 04/05 Proposed Budget. Those expecting major cuts in state funds for education and social services were not disappointed. Facing a deficit somewhere in the neighborhood of \$15 billion, the Governor sliced education, welfare and transportation costs to make ends meet. Even with that, residual deficits loom as mountains of red ink that Californians will be asked to dig into with a \$ 15 billion deficit bond on the March 2004 ballot.

While many well-regarded children's programs were zapped by the Governor, state general funds for youth crime and violence prevention programs remained largely intact. Here are some highlights:

- *After School Education and Safety Act.* For these after school programs, the Governor proposed an FY 04/05 fund level of \$ 121.5 million- the same as last year. The fund level was locked in by Proposition 49- the Governor's own 2002 initiative to expand after school funding. There was no danger of having to spend more this year; Proposition 49 spending can go to \$ 550 million per year, but only if non-education state spending exceeds thresholds contained in the initiative.
- *Schiff-Cardenas Crime Prevention Act (CPA).* The Governor proposes to maintain funding at \$ 100 million for FY 04/05, the same as last year. The CPA supports local juvenile crime and violence prevention programs. These prevention grants are linked by a legislative formula, dollar-for-dollar, to COPS grants for local law enforcement. In tandem, these grant programs have already survived two deficit years. Like his predecessor, Governor Schwarzenegger appears committed to the CPA/ COPS package as a key public safety program.
- *School Safety Block Grants.* These grants support violence prevention programs and strategies in local school districts. Last year, \$ 82 million in school safety funds were deferred (left out of the budget). The Governor's proposal restores \$ 82 million for FY 04/05. Also, another \$17 million is added to the school safety block grant (total \$99.6 million) by eliminating state funds for some smaller school-based violence prevention programs and merging them into the block grant. The programs proposed for this elimination and fund shift are: School-Community policing-- \$ 10 million last year; School-Community violence prevention-- \$700,000 last year; Gang Risk Intervention-- \$ 3 million last year; New School Safety Plans-- \$ 3 million last year; and Conflict Resolution-- \$ 280,000 last year.
- *High Risk Youth Education Act.* This program supports school-based services for juveniles coming out of county probation camps and others who meet risk criteria initially developed by the Orange County Probation Department. Proposed funding for FY 04/05 is \$ 11 million, the same as FY 03/04.
- *Probation TANF dollars taken away.* Since the Clinton-era welfare reforms, local probation departments have reaped the benefit of a statewide federal TANF grants averaging about \$200 million per year. Broad spending criteria allow these funds to be applied to a variety of local probation operations and services. These TANF funds also support local probation camps and ranches in 30 counties

holding about 4,500 juvenile offenders per day. To shore up other areas of the social service budget, the Governor proposes to terminate TANF funding for Probation Departments effective October 31, 2004; the Governor's plan would divert \$ 134 million in probation TANF funds to other DSS programs (leaving \$ 67 million to cover probation TANF funding through the first four months of FY 04/05). There is no word from the Governor whether any special effort would be made, under this scenario, to support probation camp funding after the October sunset date.

Already, Los Angeles County Probation Chief Richard Shumsky (whose department would lose \$ 82 million per year under the Governor's TANF shift proposal) is threatening to close the county's 2,000-bed juvenile camp program. Youth Authority commitments are not an option for most kids removed from probation camps, because the state's sliding scale fees for lower-level juvenile offenders erect a hefty cost barrier to sending them to CYA. Right now, California Probation Chiefs are mobilizing to get the Legislature to reject, or at least to modify, the Governor's TANF proposal.

Governor maps big changes for the Youth Authority

The California Youth Authority, which used to be overcrowded, now has more space (rated capacity 6,600) than inmates (about 4,500). This steep drop in the population did not escape the notice of the new Governor. Last year, under Legislative pressure to cut costs in the wake of population declines, CYA announced closures of two institutions over the next three years. Now, in his January Budget Summary, the Governor has revealed plans to shrink CYA even further - mainly by pulling wards aged 22 through 25 out of CYA and shifting them to state prisons. The primary motivation is fiscal: it costs far less to keep someone in state prison (about \$ 28,000/year) than in the Youth Authority (now over \$ 60,000 per year).

The details of the plan as described in the Summary are not completely clear. As a mechanism, the Governor suggests letting the juvenile court judge review program progress for older wards, then rescind the CYA commitment and order state prison if the ward has failed to make progress. One problem with "shifting" juvenile court wards from CYA to prison, when they never had a jury trial in the first place, is that the US constitution probably bars their re-commitment to a punishment-only facility. Still, the Governor's proposal has redeeming features, including a scheme to intensify staffing and services for the younger wards who would remain in a leaner Youth Authority. The Governor cannot decree these changes at CYA by executive order. Sentencing laws- altering the jurisdiction of courts and state corrections agencies- would have to be redrafted. Lawmakers will no doubt want to examine the CYA proposal from many angles-- including whether, if older wards are sacrificed to prison, younger wards would ever receive the benefits of better programming at CYA.

Board of Corrections: Governor wants fee-based juvenile facility inspections

The Board of Corrections (BOC) has become the state agency-of-choice to administer juvenile justice grant programs. First handed responsibility for juvenile crime Challenge Grants, then for \$100 million per year in Schiff Cardenas CPA grants, BOC recently inherited the administration of federal Juvenile Justice and Delinquency Prevention Act (JJDP) funds when OCJP was dismantled last year.

Under the Governor's proposal, BOC will continue to administer juvenile justice grants but will get out of the business of drafting and enforcing juvenile facility standards-

except on a voluntary basis. Current California law requires the BOC to promulgate health and safety standards for adult jails and for county juvenile halls and probation camps, through which about 135,000 children pass each year. The Governor proposes to save about \$ 1.7 million in BOC costs by having counties pay to develop and implement local facility standards (including inspections). In other words, counties could opt in and pay, or opt out. Children's advocates are already worried about new dangers to which children could be exposed in "opt-out" facilities not subject to state standards or inspections.

Where do we go from here?

The Governor's January Budget Proposal is only a proposal. The Legislature has the responsibility of producing the Budget Act, and the Governor's authority is then limited to deleting or eliminating specific items of appropriation (line item vetos). Already, Democrats have attacked the Governor's proposal as one that jeopardizes the state's most vulnerable citizens, especially children. Senate President John Burton (D-SF) has called upon the Governor to raise the income tax on the state's wealthiest individuals, as an alternative to deep program cuts that hurt the poor, sick and disabled. Other critics, including the Legislative Analyst, have challenged the Governor's assumptions about revenues and future deficits. The Governor's whole plan depends on voter approval of the \$ 15 billion deficit bond measure next March. Lawmakers will have to sift through all of these issues in Senate and Assembly Budget subcommittee hearings over the next few months. It remains to be seen whether Republicans and Democrats can come to terms on a Budget by the June 15th deadline.