Snapshot of the 2020-21 California State Budget
Signed June 29, 2020

This memo pulls relevant content from the Governor’s 2020-21 State budget and summarizes it in areas of interest to CCJBH members and partners. To access the full budget summary visit: http://www.ebudget.ca.gov/FullBudgetSummary.pdf

Despite the global economic crisis caused by the COVID-19 pandemic, the Budget closes a $54.3 billion gap in 2020-21 and significantly reduces the state’s ongoing structural deficit. The 2020-21 Budget protects public education, supports Californians facing the greatest hardships and promotes economic recovery. Although this year’s Budget was not able to expand funding for new programs, significant cuts were protected with the anticipation of federal funding, reserves, triggers, revenues, borrowing, transfers, deferrals, and other solutions. During these hard times, The Council on Criminal Justice and Behavioral Health commends the California Legislature and the Governor’s efforts to protect and put safety nets in place for the most vulnerable populations.

COVID-19 Impact on State Budget
Coronavirus Relief Fund -- The CARES Act allocated Coronavirus Relief Funds (CRF) to state and local governments for expenditures incurred between March 1, 2020 and December 30, 2020 in response to COVID-19, not previously accounted for in the most recent state and local budgets.

Based on the state’s population, California received a total of $15.3 billion with $9.5 billion paid to the state. Cities and counties with populations over 500,000 (15 counties, city and county of San Francisco, and 5 cities) received $5.8 billion directly from the U.S. Treasury. The funding allocated to five large cities was deducted from the county share. The $9.5 billion in state CRF allocations are summarized in the following chart:
Coronavirus Relief Fund Allocations

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>State Directed Coronavirus Relief Fund Allocations</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Offsets: Vulnerable Populations and Public Safety</td>
<td>$2,692,681</td>
</tr>
<tr>
<td>Housing for Homeless Individuals and Families</td>
<td>$550,000</td>
</tr>
<tr>
<td>K-14 Learning Loss Mitigation</td>
<td>4,493,819</td>
</tr>
<tr>
<td>County Homelessness, Public Health, Public Safety, and Other Services</td>
<td>1,289,065</td>
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<tr>
<td>City Homelessness, Public Health, Public Safety, and Other Services</td>
<td>500,000</td>
</tr>
<tr>
<td>Total</td>
<td>$9,525,565</td>
</tr>
</tbody>
</table>

Budget Items Related to Criminal Justice and Behavioral Health Issues

Health and Human Services

Department of Health Care Services

The Medi-Cal budget is $99.5 billion ($22.7 billion General Fund) in 2019-20 and $115.4 billion ($23.6 billion General Fund) in 2020-21. The 16-percent increase in total fund cost in 2020-21 compared with 2019-20 is generally attributable to the COVID-19 pandemic, including a projected increase in caseload. This increase is associated with higher projected unemployment as well as the temporary suspension of program disenrollment as a condition of receiving the temporary increase in the Federal Medical Assistance Percentage (FMAP). The Budget assumes caseload will peak at 14.5 million in July 2020, or about 2 million above what caseload would have been absent the COVID-19 pandemic. The Budget includes $898.6 million ($319.0 million General Fund) in 2019-20 and $6.9 billion ($2.4 billion General Fund) in 2020-21 for increased caseload.

Significant Adjustments:

- **Behavioral Health Counselors in Emergency Departments**—The Budget maintains one-time $20 million General Fund to hire behavioral health providers and peer navigators in emergency departments to screen patients and offer intervention and referral to mental health or substance use disorder programs.

- **Medi-Cal Enrollment Navigators**—The Budget maintains one-time $15 million General Fund for the Medi-Cal Health Enrollment Navigators program.

Department of Social Services

The Budget includes $37.1 billion ($11.6 billion General Fund) in 2020-21 for the Department. The May Revision proposal included $32.1 billion ($13 billion General Fund) for DSS programs in 2020-21.
Significant Adjustments:
 o Transitional Housing Supplement for Older Foster Youth—$4 million ongoing General Fund ongoing to provide transitional housing supplement for foster youth over 18 years of age.

 o Continuum of Care Reform Reconciliation for Fiscal Years 2016-17 and 2017-18—$2.6 million one-time General Fund in 2020-21 to reflect Continuum of Care Reform true-up related to county Child and Family Teams actual expenditures for fiscal years 2016-17 and 2017-18 and $80 million one-time General Fund in 2020-21 to support county child welfare departments.

Department of Developmental Services

The Budget includes $8.5 billion ($5 billion General Fund) in 2019-20 and $9.8 billion ($5.9 billion General Fund) in 2020-21 for the Department. The May Revision included $9.2 billion ($5.5 billion General Fund) and estimated that approximately 366,353 individuals will receive developmental services in 2020-21.

Significant Adjustments:
 o Incompetent to Stand Trial (IST) Capacity—$16.4 million General Fund in 2020-21 to activate a 20-bed unit at Porterville Developmental Center (PDC) and develop five enhanced behavioral support homes to increase capacity for IST placements and secure community resources for individuals at PDC. The increased capacity at PDC will sunset on June 30, 2023.

Department of State Hospitals

The Budget includes $2.1 billion ($1.9 billion General Fund) in 2020-21 for the Department. The May Revision included:
 o $2.1 billion ($1.9 billion General Fund) in 2020-21 for the support of the Department’s programs.
 o Investments in the Conditional Release Program community program directors, pharmacy modernization, statewide roof repairs and replacement, statewide ligature risk mitigation special repair funding (suicide prevention retrofitting), protective services staffing, and the post-incident debriefing and support (violent incident response peer-support network).

Significant Adjustments:
 o Mission-Based—$5 million General Fund and 12.5 positions in 2020-21 and $10 million General Fund and 30 positions in 2021-22 and ongoing to support critical needs identified as part of the treatment team and protective services staffing studies.

 o State Hospital System Infrastructure—$26.7 million General Fund in 2020-21 for three critical roof repair and replacement projects at three state hospitals. The Budget also includes $5.3 million General Fund in 2020-21 to mitigate ligature risks at four hospitals. This funding is for the first year of a seven-year project totaling $73.6 million General Fund.
Other Health and Human Services Adjustments:

- **Behavioral Health Focused Investigations**—$2.8 million in 2020-21 and $4.7 million in 2020-21 and annually thereafter from the Managed Care Fund to further enforce full service commercial health plan’s compliance with laws requiring parity of the behavioral health service delivery system with that of the medical and surgical service delivery system.

- **Realignment Backfill for Counties**—$750 million to provide support for counties experiencing revenue losses for realigned programs (i.e. behavioral health, social services and public safety), and to the extent the federal government provides sufficient eligible funding by October 15, 2020 an additional $250 million may be provided. (See Page 69)

**Homelessness and Local Governments**

The Budget continues California’s commitment to resolve the state’s homelessness crisis. The state’s approach has been to simultaneously focus on preservation and new affordable housing production while also investing in comprehensive solutions to address homelessness. The strategy to achieve these goals has evolved given the state’s fiscal constraints and immediate needs.

**Project Roomkey**

Due to COVID-19 pandemic, the state had to act quickly to prioritize vulnerable populations by initiating Project Roomkey—a multi-agency state effort to provide safe isolation hotel and motel rooms for vulnerable individuals experiencing homelessness.

Chapter 2, Statutes of 2020 (SB 89), provides emergency expenditure authority of up to $1 billion for COVID-19 relief. In March, the Administration issued $150 million for COVID-19-related emergency assistance, including $100 million for local governments and Continuums of Care to help protect Californians experiencing homelessness, administered through the Homeless Coordinating and Financing Council within the Business, Consumer Services and Housing Agency (BCSH) using the existing Homeless Housing Assistance Prevention (HHAP) allocation formulas. It also included $50 million to the Department of Social Services to secure hotel and motel rooms and acquire trailers to safely house the most at-risk homeless populations.

This housing provides short-term emergency shelter for homeless individuals to mitigate the spread of COVID-19 among this vulnerable population and were intended to keep hospitals and emergency rooms available for a surge in treating critically ill COVID-19 patients.

Building off the success of Project Roomkey, the Budget includes $550 million of the state’s direct allocation of federal Coronavirus Relief Fund (CRF) for Homekey—a statewide effort to acquire hotels, motels, residential care facilities, and other housing that can be converted and rehabilitated to provide permanent housing for persons experiencing homelessness, and who are also at risk of COVID-19. Through the Department of Housing and Community Development (HCD), the state will provide grants to local jurisdictions to acquire these facilities, which will be owned and operated at the local level. This funding must be expended by December 30, 2020, per
federal requirements. The Budget also includes an additional $50 million General Fund for the acquisition of and to provide initial operating subsidies for Homekey sites. These funds will provide a critical supplement to allow cities and counties to support interim needs of these facilities and their residents.

The state will use future eligible federal stimulus funds and existing state housing/homeless program funds to further encourage local jurisdictions to invest their dollars toward the same goal—acquiring properties to house people experiencing homelessness.

In light of COVID-19, the Budget also allows certain hotel and motel unit conversions and the preservation of certain mobile homes to count toward local agencies’ Regional Housing Needs Allocation and help keep Californians in their homes.

**Homeless, Housing, Assistance and Prevention Program**

Cities, Counties, and Continuums of Care are key to solving the homelessness challenge by coordinating to provide homeless individuals and families with the necessary housing and services. The Budget builds onto the framework of supporting local action on homelessness that began with the $500 million provided in 2018-19 for the Homeless Emergency Aid Program (HEAP) and the $650 million provided in 2019-20 for the HHAP.

The Budget provides $300 million General Fund for additional HHAP grants to be distributed based on the 2019 homelessness point-in-time counts, of which $130 million is for cities with populations of 300,000 or more, $90 million is for Continuums of Care, and $80 million is for counties. These funds will build on the regional collaboration that began with HEAP and with Round 1 of HHAP to develop unified regional responses to homelessness.

$300 million may be used for operating costs for Homekey facilities and for evidence-based solutions that include rapid rehousing; rental subsidies; subsidies for new and existing housing and emergency shelters; services such as workforce, education, and training programs to support housing stability; and increasing permanent housing through efforts that include hotel and motel conversions. With strategic funding to maintain fiscal sustainability while continuing to make investments, the Budget includes $1.2 billion across multiple departments and programs to aid local governments addressing homelessness:
Local Governments

Direct Coronavirus Aid, Relief, And Economic Security Act (CARES ACT) Allocations for Cities and Counties

The Budget provides a portion of the state’s CARES Act funding to local governments—$500 million to cities and $1.3 billion to counties—to combat the COVID-19 pandemic.

- **Cities**—The Budget provides $225 million to cities with populations greater than 300,000 that did not receive a direct CARES Act allocation from the federal government, with the funds distributed according to their relative populations. Another $275 million is provided to cities with populations less than 300,000, with the funds distributed according to their relative populations, with each city guaranteed a minimum of $50,000. Recipients must use the funds according to federal law, and are encouraged to prioritize these funds to support efforts by counties and Continuums of Care to address the impact of the COVID-19 pandemic on people experiencing homelessness.

- **Counties**—The Budget provides $1.3 billion to counties, with the funds distributed according to their relative populations. Recipients must use the funds according to federal law, and are encouraged to prioritize these funds to address the public heath, behavioral health, and other health and human services needs that have arisen as a result of the COVID-19 pandemic.

### 2020-21 Homelessness Funding

<table>
<thead>
<tr>
<th>Department</th>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State/Local Governments</td>
<td>CARES Act - Coronavirus Relief Fund: Homekey</td>
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<tr>
<td>Department of Housing and Community Development</td>
<td>Federal Funded Programs for Homelessness</td>
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<tr>
<td></td>
<td>Local Aid for Homelessness</td>
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<tr>
<td></td>
<td>Homekey Operating Subsidies</td>
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</tr>
<tr>
<td></td>
<td>Various</td>
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</tr>
<tr>
<td>Office of Emergency Services</td>
<td>Various Homeless Youth Programs</td>
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<tr>
<td></td>
<td>Youth Emergency Telephone Network</td>
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<tr>
<td>Department of Social Services</td>
<td>CalWORKS Homeless Assistance Program</td>
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<tr>
<td></td>
<td>Housing and Disability Advocacy Program</td>
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<tr>
<td>Department of Health Care Services</td>
<td>Project for Assistance in the Transition from Homelessness</td>
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<tr>
<td>University of California</td>
<td>Basic Needs Funding - Student Hunger and Homelessness Programs</td>
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</tr>
<tr>
<td></td>
<td>Rapid Rehousing</td>
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</tr>
<tr>
<td>California Community Colleges</td>
<td>Rapid Rehousing</td>
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</tr>
<tr>
<td>California State University</td>
<td>Rapid Rehousing</td>
<td>$6.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$1,179.7</td>
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</tbody>
</table>

1/ This amount reflects programs that receive federal funds, such as the Emergency Solutions Grant program. Unawarded COVID-19 related relief funds (e.g., CARES Act) are not reflected.
2/ Amount is dependent on caseload and utilization.
3/ This program supports basic needs partnerships for low-income students facing housing or food insecurity.
**Realignment Backfill For Counties**

The Budget includes $750 million General Fund to provide support for counties experiencing revenue losses for realigned programs. Counties will prioritize support for health and human services, entitlement programs, and programs that serve vulnerable populations. In using these funds, counties will adhere to federal guidance and state health requirements related to the COVID-19 pandemic. To the extent the federal government provides sufficient eligible funding by October 15, 2020, an additional $250 million may be provided to counties for the aforementioned purposes.

**Other Significant Adjustments:**

- **Homeless Coordinating and Financing Council Administrative Resources**—The Budget includes $1.5 million General Fund ongoing and 10 permanent positions to effectively carry out statutory mandates and strengthen its strategic coordination of the state’s efforts to address homelessness.

- **Homeless Data Integration System**—The Budget includes statutory changes to allow the HCFC to establish a statewide Homeless Data Integration System. The system will consolidate existing homelessness data from the individual Continuums of Care throughout the state and allow the state to understand the demographics and shared characteristics of the homeless population.

**Public Safety**

**Department of Corrections and Rehabilitation**

The Budget sustains prior investments that support the Administration’s long-term goals of further improving rehabilitation, reentry and restorative justice programs. It also reflects the Administration's commitment to limit the expansion of new programs due to the drastic budget impacts of the COVID-19 Recession, reduce costs through efficiencies, and implement long-term prison reform strategies. The Budget includes total funding of $13.4 billion ($13.1 billion General Fund and $311 million other funds) in 2020-21 for the Department.

The May Revision proposed total funding of $13.4 billion ($13.1 billion General Fund and $311 million other funds) for the Department in 2020-21.

The Budget also includes the following General Fund investments:

- **Mental Health Psychiatry Registry**—$13.3 million for contract psychiatry services to meet the federal court order to fill at least 90 percent of the state prison system’s psychiatry positions.

- **Intake Cell Retrofits for Suicide Prevention**—$3.8 million one-time to retrofit 64 intake cells across the state to provide a safer environment for inmates entering segregated housing.
o Expansion of Statewide Telepsychiatry Program—$5.9 million to support expansion of telepsychiatry, which uses secure videoconferencing to increase inmate access to mental health care services.

o Medical Imaging Equipment—$1 million to replace and maintain CDCR’s medical imaging equipment.

o Secure Electronic Data Share Unit for Patient Health Records—$377,000 to support an electronic health care data exchange process to transfer health records to counties for inmates who are transitioning to county custody or the community.

Juvenile Justice

Valley State Prison Youth Offender Rehabilitative Community
The Budget includes $1.3 million General Fund in 2020-21, and $2 million ongoing, to establish a Youth Offender Rehabilitative Community at Valley State Prison in Chowchilla. The program will house individuals under the age of 26 together in a campus-style environment conducive to positive behavioral programming and will deliver educational programs targeted to their unique needs.

Realign Division of Juvenile Justice
The Division of Juvenile Justice currently houses approximately 800 youth. The Governor’s Budget proposed to transfer the Division of Juvenile Justice to a newly created independent department within the Health and Human Services Agency. That approach was intended to align the rehabilitative mission of the state’s juvenile justice system with trauma-informed and developmentally appropriate services supported by programs overseen by the state’s Health and Human Services Agency. The May Revision proposed instead to transfer the responsibility for managing all youth to local jurisdictions and direct a portion of the state savings to county probation departments.

The Administration continues to support the shift of this population to local jurisdictions and will continue to work with the Legislature and relevant stakeholders over the coming weeks to develop a plan for implementing a successful realignment.

Other Significant adjustments relating to public safety

o Consolidate Fire Camps—The Budget includes the closure of eight camps, currently not at capacity, that will be selected in coordination with the California Department of Forestry and Fire Protection. CDCR’s savings are estimated to be $7.4 million General Fund in 2020-21 and $14.7 million ongoing.

o Draw Down Federal Funds for Health Care for Community Reentry Programs—Under federal policy, individuals who are considered prison inmates are ineligible for Medicaid benefits. However, this exclusion does not apply to individuals residing in supervised residential treatment facilities, such as reentry facilities designed to transition individuals from prison to the community. The Centers for Medicare and Medicaid Services (CMS), which sets these policies, recently issued guidance outlining how it distinguishes between prisons and supervised residential treatment facilities. Specifically, CMS has stated that in order to qualify for Medicaid eligibility residents must generally have freedom to seek employment in the community and access resources available to the general public, such as education, libraries, and
healthcare facilities. CDCR is implementing operational changes at its reentry facilities to adhere to these guidelines in a manner that ensures public safety, thereby allowing the state to draw down federal funding for residents’ health care and saving $4.2 million General Fund in 2020-21 and $8.5 million ongoing.

- **Eliminate the Integrated Services for Mentally Ill Parolee Program**—The Integrated Services for Mentally Ill Parolee Program provides wraparound services, including some transitional housing, for approximately 1,500 of 18,000 mentally ill parolees. As this program is costly at $10,000 per parolee annually and has shown limited effectiveness at reducing recidivism, the Budget eliminates the program. The Department will adjust policies to connect these individuals with community resources, which ultimately provide better continuity of care long-term. Elimination of this program is expected to result in savings of $8.1 million General Fund in 2020-21 and $16.3 million ongoing General Fund. Although the Budget reduces funding for the program, statutory changes are necessary to eliminate the program.

- **Remote Court Appearance**—CDCR will pursue efforts to increase video capabilities to enable remote court appearances by inmates and staff. This will result in efficiencies associated with transportation of inmates from their assigned prison to a prison closer to the court, and daily transportation of inmates to court. This will also reduce inmate absences from rehabilitation and work assignments. Statutory changes are needed to implement this proposal.

- **Suspension of the Transition-Aged Youth Pilot** in the Division of Juvenile Justice—The Budget suspends the seven-year pilot program operated by the Division of Juvenile Justice to divert transition-aged youth from adult prison to a juvenile facility. The pilot had limited participation and its suspension will result in estimated savings of $3.1 million General Fund in 2020-21 and ongoing. Although the Budget reduces funding for this program, statutory changes are necessary to suspend the pilot.

- **Integrated Substance Use Disorder Treatment Program Reduction**—The Budget implements a one-time reduction of $30 million to the Integrated Substance Use Disorder Treatment Program reflecting expected challenges in full program implementation due to the COVID-19 pandemic.

*Parole Outpatient Clinics*—Deferred the elimination or cuts to the POC/BHR program. Staff is unsure of the significance and may believe the POC program is still intact for now. However, the issue may be taken up again or additional guidance provided on reductions or changes to POC, etc.

**Parole Terms**

**Cap Parole Terms**

In an effort to align community supervision terms with evidence that most recidivism occurs earlier in the supervision period, create incentives for positive behavior change, and more effectively use limited state resources, the Budget will cap supervision for certain paroleses at 24 months and establish earned discharge for non-Penal Code section 290 registrants at 12 months. The estimated savings are expected to be $23.2 million General Fund in 2020-21, increasing to $64.6 million ongoing General Fund in 2023-24. The Budget includes a reduction of funding associated with this proposal. However,
statutory changes are necessary to implement the proposal and realize these projected savings.

**Expanding the Elderly Parole Program and Compassionate Release**
The Budget agreement includes additional opportunities for elderly and terminally ill inmates to be released from custody. Statutory changes are necessary to modify the existing Elderly Parole Program to lower the criteria for eligibility for an elderly parole suitability hearing from inmates aged 60 or older who have served 25 continuous years of a sentence to inmates aged 50 or older who have served 20 continuous years. The Budget agreement also expands the compassionate release process whereby the Secretary of the CDCR can request the court resentence an inmate diagnosed with an incurable condition that will result in death within twelve months. Statutory changes are necessary to implement this proposal. These changes are anticipated to result in General Fund cost savings in future years while simultaneously providing consideration for release to inmates at high-risk for COVID-19 and who are not likely to recidivate.

**Inmate Medical Care and Mental Health Services**
The Budget continues the state’s significant financial commitment to improve the Department’s delivery of health care services to inmates. The Budget dedicates $3.6 billion General Fund for health care services programs, which provide access to mental health, medical, and dental care that is consistent with the standards and scope of services appropriate within a custodial environment.

**Other Significant Adjustments:**
- The Budget also removes $20.6 million from CDCR’s baseline budget to eliminate the Tattoo Removal Program ($2.1 million) and by reducing ongoing prison maintenance funding ($18.5 million).
- The Budget provides $943,000 to promote objectivity and fairness in the investigation of equal opportunity complaints.

**Local Public Safety**

**Proposition 47 Savings**—In November 2014, voters passed Proposition 47 which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing. The Department of Finance currently estimates net savings of $102.9 million General Fund for Proposition 47 when comparing 2019-20 to 2013-14. These funds will be allocated according to the formula outlined in the initiative.

**Post Release Community Supervision**—The Budget includes $12.9 million General Fund for county probation departments to supervise the temporary increase in the average daily population of individuals on Post Release Community Supervision as a result of the implementation of Proposition 57.

*The Legislature reinstated the May revision proposed cuts to the Adult Reentry Grants. $37 million in General Funds will be allocated on-going with $18.5 million for warm handoff services and $18.5 million for rental assistance.*
Commission on Peace Officer Standards and Training
To meet the short-term needs of local law enforcement training due to the COVID-19 pandemic and the potential long-term impact of reduced state and local budgets, the Commission on Peace Officer Standards and Training (POST) will leverage existing funding provided in the 2018 Budget Act to provide for the strategic development and implementation of a framework to support distance learning opportunities for all California law enforcement agencies.

Victims Services
Crime victims and their families bear significant physical, emotional, and financial burdens. The Budget reflects the Administration’s continuing commitment to both assist crime victims and their families in recovering from such traumas, and to proactively make strategic investments to protect those who face a high risk of victimization by including the following proposals:
- **Restitution Fund Backfill**—$23.5 million one-time General Fund to backfill declining fine and fee revenues in the Restitution Fund, allowing the Victim Compensation Board to continue operating at its current resource level.
- **California Violence Intervention and Prevention (CalVIP) Grant Program**—$9 million ongoing for the Board of State and Community Corrections to continue funding the CalVIP program, which provides competitive grants to cities and community-based organizations to support services such as community education, diversion programs, outreach to at-risk transitional age youth, and violence reduction models.

Judicial Branch
The Budget includes total funding of $4.0 billion ($2.1 billion General Fund and $1.9 billion other funds) in 2020-21 for the Judicial Branch, including $1.5 billion General Fund and $1.2 billion other funds to support the trial courts. The Budget also includes $190 million General Fund and $147 million other funds to support programs offered by trial courts such as Court Appointed Dependency Counsel, California Collaborative and Drug Court Projects, and the Equal Access Fund, among others. For the State Level Judiciary, which is comprised of the Supreme Court, Courts of Appeal, the Judicial Council, and the Habeas Corpus Resource Center, the Budget includes $491.3 million General Fund and $497.2 million other funds.

Other Significant Adjustments:
- **Fine and Fee Revenues**—The Budget includes an additional $238.5 million one-time General Fund in 2020-21 to backfill declining fine and fee revenues: $90.9 million in 2019-20 and $147.6 million for 2020-21.

Elimination of Certain Criminal Administrative Fees
State law authorizes state and local governments to charge administrative fees to Individuals in the criminal justice system to recover costs for various activities, including probation supervision, representation by counsel, and diversion programs, among others. These fees can have a significant impact on low-income individuals and people of color who are disproportionately represented in the state’s criminal justice system. Specifically, these fees often place an undue burden on those who cannot afford to pay and can create financial hardship for individuals seeking to get their lives back on track following a
criminal conviction. Therefore, the Administration is committed to working with the Legislature to provide economic relief to this population by eliminating certain criminal administrative fees.

Transforming State Government
The COVID-19 pandemic has disrupted state government operations, forcing the state to find creative ways to adapt and deliver core functions. It has also created an opportunity to rethink the way the state delivers services to its nearly 40 million residents. Investments in technology have already advanced the ability of government to deliver services during the current pandemic, and the state is committed to building on this progress to make California an example of what government should look like in the 21st century.

Transforming state government will include lessons learned from the state’s real-time experiment with a statewide telework program. The state’s response has shown that teleworking on a large scale is possible, and the ability to optimize a telework approach can reduce the state’s carbon footprint and leased office space, while increasing the state’s digital presence for the benefit of both California’s employees and the people they serve.

Additional Efficiency and Cost Savings Measures
The Budget includes a 5-percent reduction to nearly all state department budgets beginning in 2021-22.
- **Reduce Travel**— Reduce statewide travel costs by using video conferencing for meetings or trainings, where possible.
- **Improve State Processes**— Improve processes and quality of services from the customer’s point of view by encouraging agencies and departments to attend the Department of Human Resources’ Lean Academy.
- Establish performance-based oversight of regulatory programs to better measure, track, and allocate limited resources based on predetermined program performance measures.

Employee Compensation
As a result of the COVID-19 Recession, and absent the receipt of additional federal funds, reductions in state employee compensation costs are necessary to balance the Budget. To the extent the federal government provides sufficient federal funds by October 15, 2020, which are eligible for purposes identified below, funds will be appropriated for the 2020-21 fiscal year.

The Budget includes a provision providing flexibility for the state and bargaining units to negotiate savings totaling roughly $2.8 billion ($1.4 billion General Fund), which is an approximate 10-percent reduction in employee compensation. As of June 26, 2020, the State has reached agreements with 16 of the 21 bargaining units.