

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 3, 2008
POSITION: Support

BILL NUMBER: SB 1069
AUTHOR: Senate Budget and Fiscal Review

SPONSOR:

BILL SUMMARY Deficiency Funding – 2nd Supplemental Appropriations Bill for 2007-08

This bill, an urgency measure, provides General Fund deficiency funding to the Department of Corrections and Rehabilitation (CDCR) for immediate funding needs.

FISCAL SUMMARY

This bill provides a General Fund Appropriation of \$135,064,000 in augmentation of funding provided in Item 9840-001-0001 of the Budget Act of 2007 (Chapter 171 and 172 of the Statutes of 2007). This bill would take immediate effect immediately for current year expenses of the state.

COMMENTS

This bill reflects deficiencies and provisional language supported by the Administration. The following deficiencies related to court orders imposed upon the CDCR are included in the budget totals.

Armstrong v. Schwarzenegger

The *Armstrong* lawsuits alleged the CDCR and the Board of Parole Hearings (Board) violated provisions of the Americans with Disabilities Act and the Fourteenth Amendment to the United States Constitution right to due process. In 1996, the CDCR entered into a settlement agreement to develop a Disability Placement Program. This settlement is commonly referred to as *Armstrong I*. In 1999, the United States District Court found the Board violated disabled inmates' and parolees' rights under the ADA and issued a permanent injunction to remedy the violations. This injunction is commonly referred to as *Armstrong II*.

This bill provides \$6,358,000 General Fund to provide connectivity and computers to all correctional counselors at CDCR institutions as required by the recent September 11, 2007 *Armstrong* court order. Additional connectivity and computers are required in order for correctional counselors to access and update the Disability and Effective Communication System in real time.

Plata v. Schwarzenegger

In April 2001, a class-action lawsuit, *Plata v. Schwarzenegger*, was filed in federal court contending the state was in violation of the Eighth and Fourteenth Amendments to the United States Constitution by providing inadequate medical care to prison inmates. On June 30, 2005, the court ordered establishment of a receivership to take control of the CDCR medical care system due to the state's delay in implementing the changes required by the Stipulated Agreement for Injunctive Relief, in settlement of the *Plata v. Schwarzenegger* case. The Receiver was appointed in February 2006 and has broad authority over CDCR's medical care program.

This bill provides \$128,706,000 General Fund for health care guarding and transportation, and pharmaceutical and medical supply costs imposed by the healthcare Receiver. This bill also adds provisional language to the Budget Act of 2007, allowing the Director of Finance to transfer up to \$126,555,000 between Item 5225-001-0001 and Item 5225-002-0001 to realign CDCR's expenditure authority with their actual expenditures.

Analyst/Principal (0191) B. Steffenhagen	Date	Program Budget Manager Veronica Chung-Ng	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
9840/Emergency Fd	SO	No	I	\$135,064		--		--	0001