

**DEPARTMENT OF FINANCE BILL ANALYSIS**

**AMENDMENT DATE:** July 3, 2008  
**POSITION:** Neutral

**BILL NUMBER:** SB 1071  
**AUTHOR:** Senate Budget and Fiscal Review

**BILL SUMMARY**

This bill, an urgency measure, would provide funding for the Medical Care Receiver (Receiver) from funds appropriated by Chapter 7, Statutes of 2007 (AB 900) to continue the Healthcare Facility Expansion and Improvement programs. Any funds not expended by June 30, 2009 would be returned to the Department of Corrections and Rehabilitation (CDCR) for other infrastructure improvements at existing prisons.

**FISCAL SUMMARY**

This bill would provide \$70 million General Fund previously appropriated by AB 900 for use by the Receiver for his Health Care Expansion and Improvement programs at prisons statewide. AB 900 funds originally appropriated \$300 million to the CDCR for infrastructure improvements at existing prisons. To the extent this bill would cause remaining funds from AB 900 to be insufficient for these purposes, the CDCR may need to request additional General Fund in the future.

**COMMENTS**

Finance is neutral on this bill because it would provide funding for the Receiver's immediate cash needs for his capital program, consistent with a request for deficiency funding Finance sent to the Legislature on June 6, 2008.

The Receiver initiated his Health Care Facility Expansion and Improvement programs with General Fund appropriated by the Budget Act of 2007. The Expansion Program will provide up to seven new facilities to house 10,000 inmate-patients with medical and/or mental health needs. The Improvement program will improve facilities at all existing prisons to provide adequate facilities for the delivery of medical care to inmates.

In April 2008, legislation was introduced (SB 1665) to fund the completion of these capital programs with a total of \$7 billion from Lease Revenue financing (\$6.9 billion) and General Fund (\$100 million). In May 2008, SB 1665 did not receive sufficient votes to pass the Senate. Subsequently, the Receiver notified Finance of his immediate and long-term cash needs for continuation and completion of his capital programs, regardless of whether or not the Legislature authorized funding for his programs. This bill would address the Receiver's immediate funding needs for these programs, but it remains unclear how long-term funding for these programs will be provided.

(Continued)

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	
5225/Corr & Rehab	CO	No	B	\$70,000		--		--	0001

Analyst/Principal (0663) C. Lief	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

