

DRUG POLICY ALLIANCE

Reason. Compassion. Justice.

May 27, 2009

The Honorable Noreen Evans
Chair, Budget Conference Committee
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To Assemblymember Evans:

Gov. Schwarzenegger has proposed eliminating funding for California's landmark treatment-instead-of-incarceration program, Proposition 36. The statutory mandates, approved by 61% of voters in 2000, would remain intact; however, treatment and probation supervision would be gutted. The Governor's proposal threatens to leave first- and second-time drug possession offenders on the streets, unsupervised and without access to treatment to which they are legally entitled. This could result in increased incarceration of low-level drug offenders, contrary to the intent of Prop. 36 and driving up state General Fund expenditures.

We urge the Legislature to apply federal stimulus dollars to this crucial program. As part of the 2009 Federal Stimulus, California received \$225 million through the Edward Byrne Justice Assistance Grant (JAG) Program. This is the only source of funding for drug treatment in the federal stimulus package.ⁱ \$60 million of these funds should be allocated to the Offender Treatment Program to shore up Prop. 36, drug courts and programs supervised by probation.

We also urge the Legislature to make up funds for Prop. 36 by reducing state resources directed at low-level drug possession offenders. Incarceration of low-level drug offenders remains a significant drag on the state's criminal justice system, diverting law enforcement resources, as well as clogging courts, jails and prisons. Reform offers crucial opportunities for cost-savings:

- **Eliminate prison for petty drug possession.** There are almost 12,000 people in prison in California for simple drug possession,ⁱⁱ at a cost of over \$500 million a year (or \$49,000 eachⁱⁱⁱ). The state spends an equal amount to incarcerate people convicted of drug possession with intent to sell. That's up to \$1 billion that could be better spent at the county level on drug treatment, community service and probation.
- **Eliminate parole for drug possession.** Nearly 19,000 people are on parole following incarceration in state prison for a simple drug possession – representing 15% of the parole population. At \$4,338 per person,^{iv} the cost of parole for simple drug possession amounts to \$82 million a year. Eliminating parole for all drug possession offenses would reduce the parole population by 25% and reduce costs by \$135 million a year.
- **Make marijuana possession an infraction.** Marijuana arrests in California increased by over 13% in 2007 to nearly 75,000 – 80% of which were misdemeanors.^v Of those arrests, nearly 17,000 were of people under the age of 18. Despite decriminalizing simple possession

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in the 1970s, the state still allocates significant resources to low-level marijuana arrests and brings thousands of young people into the criminal justice system each year.

- **Insurance parity for addiction treatment.** Insurance parity for mental illness and addiction treatment – as proposed in AB 244 (Beall) – would expand access to private treatment at no cost to the state. Nearly 3 in 4 people in treatment in the state are funded through the criminal justice system, according to the Department of Alcohol and Drug Programs (ADP). Greater private insurance coverage could reduce those costs.
- **Link alcohol fee to addiction treatment.** Current proposals for an alcohol excise fee would raise annual revenues of \$585 million (nickel-a-drink) to \$1.4 billion (dime-a-drink). Revenue from an alcohol fee should be used to protect the state’s addiction treatment capacity, by supporting personnel and program costs for treating alcohol addiction.

Reducing the impact of drug possession offenses on the criminal justice system would cut annual costs by \$500 million to \$1.1 billion. Proposed additional revenues on alcoholic beverages could bring in \$585 million to \$1.4 billion. **These changes amount to up to \$2.5 billion a year.**

In contrast, eliminating funding for Prop. 36 would generate additional costs of \$200-300 million. Because Prop. 36 provides treatment to people convicted for a first and second drug possession offense, offenders who want treatment could not be incarcerated. Incarceration would be possible only after a third drug possession conviction, requiring significant court resources. According to UCLA, every \$1 invested in Prop. 36 reduces state costs by \$2.50-4.^{vi} Based on UCLA and LAO estimates, Prop. 36 has already reduced state government costs by \$2 billion.

Defunding Prop. 36 would dismantle the state’s addiction treatment system and result in the loss of hundreds of millions of federal dollars to California. In the first five years of Prop. 36, when annual funding was \$120 million, state treatment capacity increased by 66%. Eliminating funding to Prop. 36 would dismantle that growth, leaving counties with few resources to cope with addiction in the community. Additionally, the loss of federal matching funds for Prop. 36 treatment spending is approximately \$380 million.

In conclusion, we urge the Legislature to fund Prop. 36 with federal dollars and reduced prison spending. To incarcerate people convicted of petty drug offenses is counter-productive and wasteful. In addition to using Justice Assistance Grants and federal drug treatment matching dollars, the Legislature should advance policies that will increase access to addiction treatment for insured workers.

Respectfully,

AltaMed Health Services
Asian American Recovery Services, Inc.
Beacon House Association of San Pedro
Books Not Bars (An Ella Baker Center Campaign)
California Association for Alcohol/Drug Educators (CAADE)
Center for Living and Learning
COMP
Contra Costa County Vocational Services

Drug Abuse Alternatives Center
Drug Policy Alliance
Justice Policy Institute
The Pacific Southwest Addiction Technology Transfer Center
Pathway Society, Inc.
People In Progress
Southern California Alcohol and Drug Programs, Inc.
Tarzana Treatment Centers

ⁱ Legislative Analyst's Office. *Federal Economic Stimulus Package: Fiscal Effect on California*. March 10, 2009. Available at: <http://www.lao.ca.gov/laoapp/PubDetails.aspx?id=1957>

ⁱⁱ California Department of Corrections and Rehabilitation. *Prison Census Data (December 31, 2008)*. February 2009.

ⁱⁱⁱ Legislative Analyst's Office. *California Dept of Corrections and Rehabilitation: Overview of CDCR Budget*. March 19, 2009, p.4. Available at: http://www.lao.ca.gov/handouts/crimjust/2009/CDCR_03_19_09.pdf

^{iv} California Department of Corrections and Rehabilitation. *Fourth Quarter 2008 Facts and Figures*. December 2008.

^v Office of the Attorney General. *Crime in California by City and County*. Retrieved on May 20, 2009.

^{vi} Douglas Longshore, Angela Hawken, Darren Urada, M. Douglas Anglin, *Evaluation of the Substance Abuse and Crime Prevention Act: Cost-Analysis Report* (Los Angeles, CA: UCLA Integrated Substance Abuse Program, 2006).