PROPOSITION 47: A \$600 MILLION LIFELINE TO CALIFORNIA COMMUNITIES



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Introduction

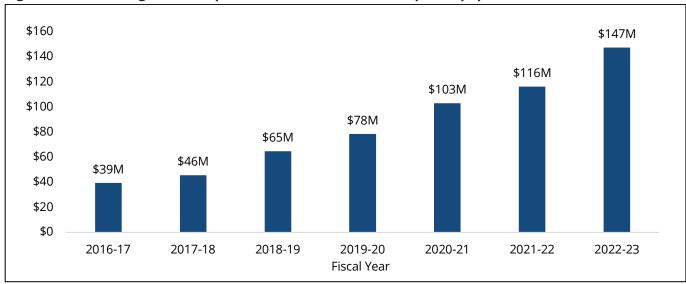
Proposition 47 (Prop 47), one of the most significant criminal justice reforms in California history, has now been in effect for more than seven years. The initiative, which passed with nearly 60 percent of the vote in 2014, sought to interrupt cycles of frequent incarceration and redress decades of overly punitive sentencing by reclassifying several low-level drug and property offenses from potential felonies to misdemeanors (SOS, 2014; 2014a). The result has been a marked decline in California's incarcerated population (Bird et al., 2016; 2018; Graves, 2020).

A key provision of Prop 47 was the reinvestment of state dollars from prisons into community-based prevention programs. This year, as part of his Fiscal Year (FY) 2022-23 budget proposal, Governor Gavin Newsom announced an additional \$150 million in prison savings attributed to Prop 47 (DOF, 2022). This latest investment would increase total funding to nearly \$600 million.

Proposition 47 has been a lifeline to vulnerable Californians. This support has proved critical as California now faces an unprecedented set of challenges. These include significant disruption and loss of life due to COVID-19, a reckoning over police violence against people of color, sharp increases in the cost of living, and rising rates of homelessness and drug overdose. Most recently, there are changing public narratives around crime and the impacts of justice reform. To date, Prop 47 has:

- 1. Coincided with a period of record-low crime in California (CJCJ, 2020; 2020a; 2021; 2021a).
- 2. Reduced unconstitutional overcrowding in state prisons (Graves, 2020).
- 3. Offered resentencing, release, and/or record change opportunities to thousands of Californians.
- 4. Lessened racial disparities in California's criminal justice system (Lofstrom et al., 2020).
- 5. Reinvested more than half a billion dollars into local programs that address the root causes of incarceration for as many as 40,000 people by reducing homelessness and boosting employment.

Figure 1. State savings from Prop 47 reductions in California's prison population, FY 2016-17-FY 2022-23



Source: DOF, 2018; 2021a. Note: FY 2022-23 savings are projected by the California Department of Finance.

• Through Prop 47, California is reinvesting more than half a billion dollars from overcrowded state prisons into community programs.

Prop 47 has helped California achieve court-mandated reductions in its overcrowded prison system (Brown v. Plata, 2011). Given the high cost of state incarceration (roughly \$14 billion annually), a Prop 47-driven population decline of several thousand people has delivered significant cost savings to the state (DOF, 2021). These savings have totaled more than half a billion dollars (\$595 million) since Prop 47 took effect in 2014 (Figure 1).

Each year, Prop 47 reinvests 65 percent of state savings into recidivism reduction programs that provide critical housing, mental health, substance use, and other supportive services to vulnerable Californians (SOS, 2014). Another 10 percent is directed to Trauma Recovery Centers, which address the needs of crime survivors, and the final 25 percent is used to fund programs in K-12 schools (SOS, 2014). Prop 47's benefit to communities is two-fold: it stops the revolving door of arrest and incarceration while investing in community programs that prevent these cycles before they start.

• California has set aside nearly \$400 million for Prop 47 programs that address the root causes of crime and violence.

California's Board of State and Community Corrections (BSCC)¹ distributes the largest share of Prop 47 funds—those earmarked for recidivism reduction programs. Through FY 2022-23, the state will have set aside a total of \$386 million for BSCC-administered Prop 47 programs. To date, the BSCC has awarded approximately \$200 million to its Prop 47 grantees (BSCC, 2019; 2019a; 2022b). The BSCC awards these funds across overlapping four-year grant cycles. As of February 2022, the first cohort of grantees had completed their programs and provided final evaluation data, including recidivism rates. Meanwhile, the second cohort, which began in 2019, has reached the midpoint in its grant cycle and released initial evaluation data on housing and employment successes (BSCC, 2021). This year, the BSCC will select a third cohort of grantees with programs slated to begin in September 2022 (BSCC, 2021). A total of 33 public agencies, including behavioral health departments and school districts, received Prop 47 funding through Cohorts 1 and 2 (BSCC, 2019; 2019a; 2022b).

• As many as 40,000 Californians have received services through a Prop 47-funded program.

Across one-and-a-half² grant cycles administered by the BSCC, Prop 47 programs have served as many as 40,000 Californians (BSCC, 2021a; 2021b). Grantees from Cohort 1 were able to provide housing support, case management, behavioral health care, and other services to more than 30,000 Californians. These critical programs came at a cost of just \$3,200 per person (BSCC, 2019; 2021a). By contrast, the state spends more than 30 times as much (over \$100,000) to incarcerate a person for one year in state prison (Figure 2) (DOF, 2022a).

¹ Analysis of BSCC-funded Prop 47 programs is drawn largely from reports submitted to the BSCC by grantees and statistics compiled by BSCC staff.

² References Prop 47 grantees across all of Cohort 1 and the first two years of Cohort 2.

\$120,000 \$104,135 \$100,000 \$80,000 \$20,000 \$20,000 \$104,135 \$40,000 \$20,000 \$20,000 \$70 \$104,135

Figure 2. Cost per person for one year in a California prison (FY 2020-21) vs. participation in a Prop 47 program (Cohort 1, 2017-2021)

Source: BSCC, 2019; 2021a; DOF, 2022a.

Across Cohorts 1 and 2, approximately 70 percent of program participants are people of color, including 27 percent who are Black and 34 percent who are Latino (BSCC, 2021a; 2021b). The programs serve more men than women (72 percent vs. 27 percent) and a majority are working-age adults (76 percent are between 25 and 65 years old) (BSCC, 2021a; 2021b).

• The majority of program participants are unhoused and unemployed.

Prop 47 programs³ are serving people with some of the highest needs in California. Less than one in five participants reported living in independent housing prior to enrolling in services, with 36 percent officially categorized as unhoused (BSCC, 2021b). Seventy percent were unemployed and only 12 percent were working full time (BSCC, 2021b). Roughly one-third of participants have not earned a high school diploma or GED (BSCC, 2021b).

• 69 percent of Prop 47 funds are granted to behavioral health departments for treatment and other supportive services.

The vast majority of Prop 47 funds have been awarded to county behavioral health departments (69 percent) (Figure 3) (BSCC, 2019; 2019a). These agencies are uniquely positioned to provide an array of mental health, substance use, and housing supports in close collaboration with community-based service providers. Grantees also include local government agencies, such as city managers (19 percent of funds), justice agencies, which include police, probation, and district attorneys (6 percent of funds), school districts (3 percent of funds), and a public defender's office (3 percent of funds). At just six percent of allocated funds, Prop 47 has spent far less on punitive justice agencies than other justice-related state grant programs.⁴

³ These statistics include only Cohort 2 as Cohort 1 programs did not collect data on housing status, employment, or educational attainment.

⁴ For example, the majority of Assembly Bill 109 (Public Safety Realignment) dollars are being spent on either probation or sheriff's departments, while Prop 47 allocates just four percent and zero percent, respectively, to these departments (BSCC, 2019; 2021c).

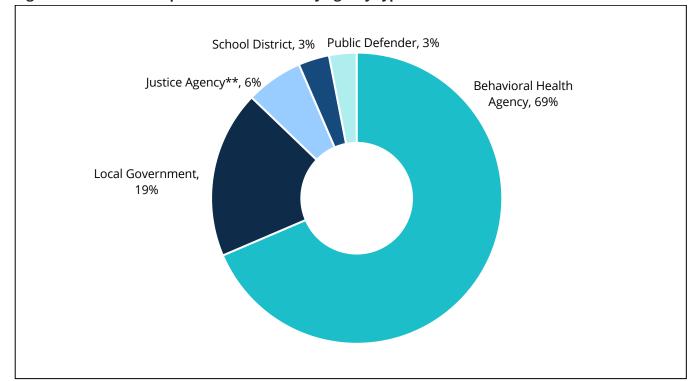


Figure 3. Percent of Prop 47 funds allocated by agency type*

Source: BSCC, 2019; 2019a. *Note: References BSCC-administered Prop 47 funds for Cohorts 1 and 2. **Justice agencies include district attorneys, probation departments, and police departments.

• Grantees distributed nearly 80 percent of their Prop 47 awards to local nonprofits.

On average, nearly 80 percent of allocated Proposition 47 funds, or almost \$160 million, has gone to support nonprofit organizations that work directly in communities (BSCC, 2019; 2021c). While Prop 47 grantees are required to pass at least 50 percent of their awards to community-based organizations, data from the first two grant cohorts show that agencies are far exceeding that threshold.

Amid the COVID-19 pandemic, local nonprofits have played a critical role in many communities by providing resources that support the health and safety of vulnerable families. With the help of Prop 47 funding, community-based organizations have been able to offer basic necessities, food, and transportation support to those hit hardest by this public health crisis. For example, in the three-month period between July 1, 2021 and September 30, 2021, nearly 800 Californians received at least one form of basic aid through Prop 47 funds (BSCC, 2021b).

• All Prop 47 grantees are providing mental health services and most offer substance use treatment, housing support, and diversion.

All Prop 47 grantees are providing mental health services to California communities (Figure 4) (BSCC, 2019; 2021c). This translates to approximately \$200 million being spent on grantees that offer these critical services. Nearly all grantees are also providing housing-related support, such as stipends, assessments, navigation, and case management services, as well as substance use treatment and other community-based services. 73 percent of BSCC-administered Prop 47 funding has gone to grantees whose programs include diversion, a critical tool in ending cycles of incarceration.

Mental health services 100% Substance use treatment 95% Housing-related services 93% Community-based supports 93% Diversion 73% 0% 20% 40% 60% 80% 100%

Figure 4. Share of Prop 47 funds allocated to grantees, by services offered*

Source: BSCC, 2019; 2019a; 2021c. *Note: References BSCC-administered Prop 47 funds for Cohorts 1 and 2.

• Prop 47 programs greatly reduce homelessness and boost employment.

While most Cohort 2⁵ participants were unhoused and unemployed when they enrolled in a Prop 47 program, a substantial share had found housing and/or a job by program completion (Figures 5 and 6). For participants who wanted housing, rates of homelessness fell by more than half, from 28 percent unhoused to 11 percent (BSCC, 2022). Meanwhile, the share in living independently nearly doubled, from 11 percent to 21 percent (BSCC, 2022). Similarly, for participants who wanted to find employment, unemployment rates fell by a third (64 percent to 42 percent) and rates of full-time employment more than doubled from 17 percent to 39 percent (BSCC, 2022).

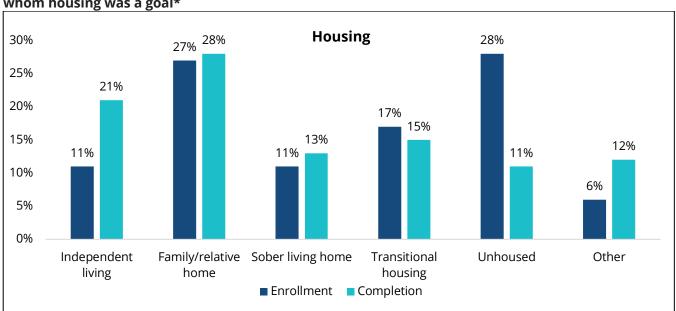


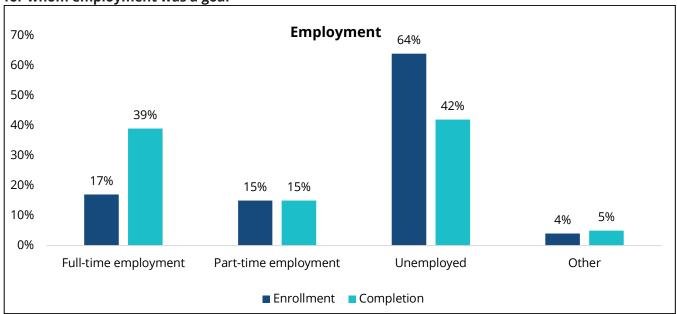
Figure 5. Change in housing status from enrollment to program completion among participants for whom housing was a goal*

Source: BSCC, 2022. *Note: References BSCC-administered Prop 47 funds for Cohort 2 only. Enrollment figures differ from those presented on page 3 of this report because they are drawn from a subset of the full participant

⁵ Cohort 1 programs did not collect data on housing status, employment, or educational attainment.

population. This subgroup is limited to participants for whom enrollment and completion data were available and for whom housing was a goal (n=364).

Figure 6. Change in employment status from enrollment to program completion among participants for whom employment was a goal*



Source: BSCC, 2022. *Note: References BSCC-administered Prop 47 funds for Cohort 2 only. Enrollment figures differ from those presented on page 3 of this report because they are drawn from a subset of the full participant population. This subgroup is limited to participants for whom enrollment and completion data were available and for whom employment was a goal (n=628).

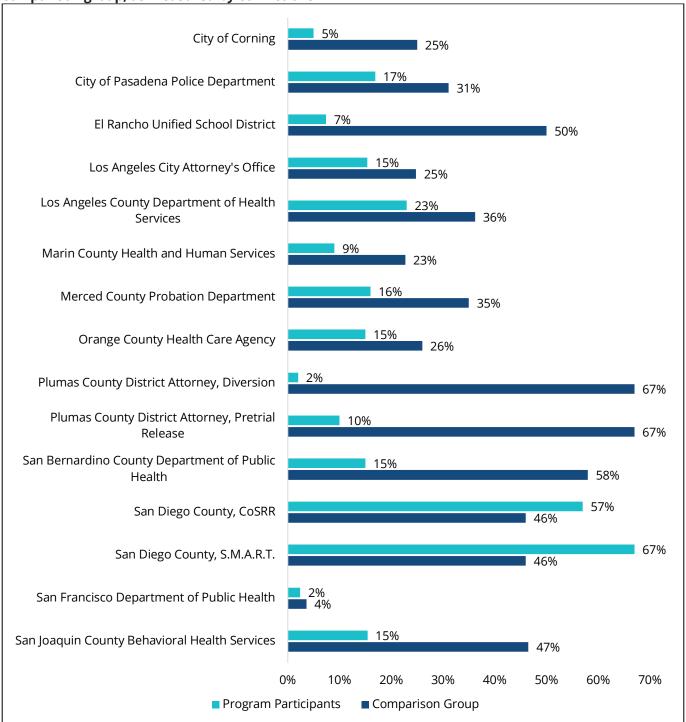
• 12 out of 13 Prop 47 grantees showed reduced recidivism totaling an estimated 1,500 fewer convictions.

Prop 47 programs also appear to strengthen public safety by reducing the likelihood that people commit crimes after receiving targeted services for substance use disorder, mental health, or housing needs. We can measure this impact by comparing the conviction rates for program participants with a similar group of people who were not in the program.⁶ 12 out of 13 Cohort 1 grantees reported reduced recidivism, with some rates as low as one-fifth or one-sixth of the comparison group's rate (see Figure 7) (BSCC, 2021a). Across these 12 grantees, an estimated 1,500 convictions may have been avoided as a result of Prop 47 programs (BSCC, 2021; 2021a).⁷ This is likely a fraction of the true crime-reduction impact of Prop 47 programs as many programs reported low recidivism rates but did not collect data on a comparison group. Moreover, these results only include Cohort 1 programs. Cohort 2 grantees will report their participants' recidivism rates in 2023.

⁶ In Cohort 1, 13 grantees reported both a recidivism rate for their participants (defined as a subsequent conviction) and conviction rates for a reasonable comparison group (BSCC, 2021a).

⁷ We arrive at this estimate by first applying the comparison group's recidivism rate to the total number of program participants, which approximates the number of convictions that would have occurred without the program. Then, we find the difference between this number and the program participants' recidivism rate applied to the total number of program participants, which offers a rough estimate of the number of "missing" convictions. There are several important limitations to this approach, including differences in the methodology for determining recidivism and constructing a comparison group across grantees and, in some cases, differences between the program participants and a grantee's selected comparison group.

Figure 7. Cohort 1 grantees* that reported recidivism rates for both program participants and a comparison group, as measured by convictions



Source: BSCC, 2021a; 2022a. Note: The City of Corning, City of Pasadena Police Department, El Rancho Unified School District, Marin County Health and Human Services, Merced County Probation Department, Plumas County District Attorney, and San Bernardino County Department of Public Health reported 36-month recidivism rates for program participants. The Los Angeles County Department of Health Services, Orange County Health Care Agency, San Diego County, and San Joaquin County Behavioral Health Services reported 24-month recidivism rates for program participants. The Los Angeles City Attorney's Office reported a 12-month recidivism rate for program participants. The San Francisco Department of Public Health reported a 6-month recidivism rate for program participants. *Both San Diego County and the Plumas County District Attorney report more than one recidivism rate because they calculated rates separately for each of their programs.

Reducing crime, as measured by convictions, has a profound impact on community safety and correctional system costs. It means fewer days spent in jail or prison, less courtroom time, and reduced workloads for probation and police departments. More importantly, it lessens the substantial human cost borne by crime survivors and the communities most impacted by mass incarceration.

• More than \$200 million in Prop 47 savings is set to be allocated to trauma recovery and school-based programs.

While Prop 47 directs 65 percent of state prison savings to BSCC grants, the remaining 35 percent is split between the California Department of Education to keep vulnerable students in school (25%) and the California Victim Compensation Board to support survivors of crime through trauma-informed treatment services (10%). Through FY 2022-23, Prop 47 allocations to these programs will total more than \$200 million.

These investments are already strengthening communities and interrupting cycles of harm. Thus far, Prop 47 savings has supported at least 35 school districts or other local educational agencies across 20 counties as they implement the Learning Communities for School Success Program (CDE, 2017; 2021). This program helps schools reduce truancy and dropout rates by supporting their highest-needs students. Prop 47 has also funded at least 18 Trauma Recovery Centers throughout California (CalVCB, 2018; 2019; 2019a; 2020; 2021; NATRC, 2022). These centers provide vital support to crime survivors, including mental health and case management services.

Conclusion

In the seven years since its passage, Prop 47 has successfully reduced California's reliance on harmful and costly incarceration. Today, fewer Californians cycle through jails and prisons for low-level offenses. This keeps families and communities intact while saving the state and its counties hundreds of millions of dollars each year. By reinvesting these state savings into treatment programs, Prop 47 offers vital support to Californians most at risk of entering the justice system, including those with unaddressed mental health needs, substance use disorders, and housing insecurity.

Data on these Prop 47-funded programs suggest that they are offering vital help where it is needed most. Among BSCC-administered Prop 47 programs, as many as 40,000 people have received services so far, many of whom were unhoused and unemployed upon enrollment. Most programs are administered by behavioral health agencies, which are well suited to providing treatment services in close partnership with community-based organizations. Grantees are offering the kinds of programs their communities need most—mental health, housing, substance use treatment, community-based supports, diversion, and support for basic needs—with a measurable positive impact. Participants report increased rates of full-time employment and independent living, and most programs show low rates of recidivism. This is critical to keeping communities safe and high-needs Californians out of the revolving door of arrest and incarceration. Prop 47 has also funded dozens of school districts and Trauma Recovery Centers throughout California to promote better educational outcomes for students and healing for crime survivors.

Prop 47 funding levels have increased year over year since the state made its first allocation in FY 2016-17. This year, for the first time, savings are estimated at nearly \$150 million. In the midst of the state's current economic and public health crises, greater investment in Prop 47 is vital to serving more vulnerable Californians and strengthening communities in need.

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