

AMENDED IN SENATE AUGUST 31, 2015

AMENDED IN ASSEMBLY MAY 21, 2015

AMENDED IN ASSEMBLY APRIL 30, 2015

AMENDED IN ASSEMBLY APRIL 20, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1056**

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**Introduced by Assembly Member Atkins**  
(Principal coauthor: Senator De León)

February 26, 2015

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An act to amend Sections 97013 and 97015 of the Government Code, and to add Article 5 (commencing with Section 6046) to Chapter 5 of Title 7 of Part 3 of the Penal Code, relating to recidivism reduction, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1056, as amended, Atkins. Second Chance Program.

(1) Existing law establishes the Board of State and Community Corrections as an entity independent of the Department of Corrections and Rehabilitation, and authorizes the board to carry out various powers and duties relating to providing advice and leadership on criminal justice issues. *law, until January 1, 2020, establishes the Social Innovation Financing Program, and requires the Board of State and Community Corrections to administer the program. Existing law, among other things, authorizes the board, upon appropriation of funds by the Legislature for deposit into the Recidivism Reduction Fund, to award grants in amounts of not less than \$500,000 and not more than \$2,000,000 to each of 3 counties, selected as specified, for the purpose*

*of entering into a pay for success or social innovation financing contract, pursuant to which private investors agree to provide financing to service providers to achieve social outcomes agreed upon in advance and the government agency that is a party to the contractual agreement agrees to pay a return on the investment to the investors if successful programmatic outcomes are achieved by the service provider. Existing law limits the total amount of the grants awarded to \$5,000,000. Existing law requires each county receiving an award to report annually to the Governor and Legislature on the status of its program. Existing law requires the board to compile the county reports and submit a summary report to the Governor and the Legislature annually.*

*This bill would extend the operation of that program and the reporting requirements until January 1, 2022.*

This bill would *also* require the board to administer a competitive grant program that focuses on community-based solutions for reducing recidivism. The bill would establish minimum criteria for the grant program and would require the board to establish an ~~Executive Steering Committee, composed of 13 members,~~ *executive steering committee*, as specified, to ~~adopt~~ *make recommendations regarding the design, efficacy, and viability of proposals and to make recommendations on* guidelines for the submission of proposals for the grant program, including threshold or scoring criteria, or both. Among other things, the bill would require those guidelines to prioritize proposals that advance principles of restorative justice while demonstrating a capacity to reduce recidivism, and that leverage certain other federal, state, and local funds or social investments. The bill would define recidivism, for the purposes of these provisions, as a conviction of a new felony or misdemeanor committed within 3 years of release from custody or committed within 3 years of placement on supervision for a previous criminal conviction.

(2) The Safe Neighborhoods and Schools Act establishes within the State Treasury the Safe Neighborhoods and Schools Fund to receive moneys transferred from the General Fund in an amount equal to the savings resulting from the implementation of the act, as specified. The act requires that 65% of the moneys in the Safe Neighborhoods and Schools Fund be allocated the Board of State and Community Corrections to administer a grant program to public agencies aimed at supporting specified types of programs, including diversion programs, for people in the criminal justice system with an emphasis on programs that reduce recidivism, as specified.

This bill would create the Second Chance Fund in the State Treasury for the purpose of funding the above-described recidivism reduction program. The bill would require the ~~Board of State and Community Corrections to deposit the above-described moneys it receives~~ *Controller, upon order of the Director of Finance, to transfer the moneys available to the Board of State and Community Corrections* from the Safe Neighborhoods and Schools Fund into the Second Chance Fund. The bill would also authorize the Second Chance Fund to receive moneys from any other federal, state, or local grant, or from any private donation. The bill would prohibit the board from using the moneys in the fund to supplant existing programs and from spending more than 5% per year of the total moneys in the fund for administrative purposes.

The bill would require the board to administer these provisions, and moneys in the fund would be continuously appropriated to the board for expenditure for these purposes. By creating a continuously appropriated fund, this bill would make an appropriation.

(3) The Safe Neighborhoods and Schools Act provides that its provisions may be amended by a statute, passed by a  $\frac{2}{3}$  vote of each house of the Legislature and signed by the Governor, that is consistent with and furthers the intent of the act.

This bill would declare that its provisions further the intent of the Safe Neighborhoods and Schools Act.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) California voters approved Proposition 47, known as the  
4 Safe Neighborhoods and Schools Act of 2014. The measure was  
5 enacted to ensure that prison spending is focused on violent and  
6 serious offenses, to maximize alternatives for nonviolent and  
7 nonserious crime, and to invest the resulting savings into prevention  
8 and support programs.

9 (b) Research has shown that people in the criminal justice system  
10 disproportionately suffer from mental health issues and substance  
11 use disorders. Nationally, over one-half of all people in prisons or  
12 jails have experienced a mental health issue within the last year,

1 and over one-half of women and 44 percent of men in jail have a  
2 drug or alcohol dependency.

3 (c) People in the criminal justice system and formerly  
4 incarcerated individuals have difficulty securing housing and  
5 employment following their incarceration. These challenges are  
6 compounded for people living with mental health issues or  
7 substance use disorders. As a result, many formerly incarcerated  
8 people, especially those with mental health issues or substance  
9 abuse disorders experience homelessness. Experiencing  
10 homelessness greatly increases the likelihood that a formerly  
11 incarcerated person will recidivate.

12 (d) Offering people in the criminal justice system and formerly  
13 incarcerated individuals meaningful access to mental health  
14 services, substance use treatment services, housing, housing-related  
15 job assistance, job skills training, and other community-based  
16 supportive services has been shown to decrease the likelihood of  
17 future contact with law enforcement and the criminal justice  
18 system.

19 (e) Prioritizing the state savings realized by the implementation  
20 of the Safe Neighborhoods and Schools Act of 2014 for projects  
21 that combine mental health services, substance use treatment  
22 services, housing, housing-related job assistance, job skills training,  
23 and other community-based supportive services will help the state  
24 meaningfully reduce recidivism.

25 (f) By prioritizing projects that offer comprehensive  
26 interventions, the Legislature intends for public agencies,  
27 nonprofits, and other community-based providers of services to  
28 people in the criminal justice system and formerly incarcerated  
29 individuals to leverage additional federal, state, and local funds  
30 for social investment resources.

31 (g) The Legislature intends to promote the use of restorative  
32 justice principles in addressing recidivism.

33 *SEC. 2. Section 97013 of the Government Code is amended to*  
34 *read:*

35 97013. (a) Each county receiving an award shall report  
36 annually to the board on the status of its ongoing social innovation  
37 financing program. The report shall also contain an accounting of  
38 the moneys awarded.

39 (b) The board shall compile the county reports and submit a  
40 summary report to the Governor and Legislature annually.

1 (c) A report made pursuant to this section shall be made in  
2 accordance with the requirements of Section 9795.

3 (d) This section shall remain in effect only until January 1,  
4 2020, 2022, and as of that date is repealed, unless a later enacted  
5 statute, that is enacted before January 1, 2020, 2022, deletes or  
6 extends that date.

7 *SEC. 3. Section 97015 of the Government Code is amended to*  
8 *read:*

9 97015. This title shall remain in effect only until January 1,  
10 2020, 2022, and as of that date is repealed, unless a later enacted  
11 statute, that is enacted before January 1, 2020, 2022, deletes or  
12 extends that date.

13 ~~SEC. 2.~~

14 *SEC. 4.* Article 5 (commencing with Section 6046) is added  
15 to Chapter 5 of Title 7 of Part 3 of the Penal Code, to read:

16  
17 Article 5. Second Chance Program

18  
19 6046. (a) The purpose of this article is to build safer  
20 communities by investing in community-based programs, services,  
21 and initiatives for formerly incarcerated individuals in need of  
22 mental health and substance use treatment services.

23 (b) The program established pursuant to this article shall be  
24 restricted to supporting mental health treatment, substance use  
25 treatment, and diversion programs for persons in the criminal  
26 justice system, with an emphasis on programs that reduce  
27 recidivism of persons convicted of less serious crimes, such as  
28 those covered by the Safe Neighborhoods and Schools Act of 2014,  
29 and those who have substance use and mental health problems.

30 (c) The Board of State and Community Corrections shall  
31 administer a grant program established pursuant to this article.

32 6046.1. For the purposes of this article, the following  
33 definitions shall apply:

34 (a) "Board" means the Board of State and Community  
35 Corrections.

36 ~~(b) "Committee" means an Executive Steering Committee of~~  
37 ~~the board.~~

38 (e)

39 (b) "Fund" means the Second Chance Fund established pursuant  
40 to Section 6046.2.

1     ~~(d)~~  
 2     (c) “Public agency” means a county, city, whether a general  
 3 law city or a chartered city, or city and county, the duly constituted  
 4 governing body of an Indian reservation or rancheria, a school  
 5 district, municipal corporation, district, political subdivision, or  
 6 any board, commission, or agency thereof, entities that are  
 7 legislative bodies of a local agency pursuant to subdivision (c) or  
 8 (d) of Section 54952 of the Government Code, a housing authority  
 9 organized pursuant to Part 2 (commencing with Section 34200)  
 10 of Division 24 of the Health and Safety Code, a state agency, public  
 11 district, or other political subdivision of the state, or any  
 12 instrumentality thereof, which is authorized to engage in or assist  
 13 in the development or operation of housing for persons and families  
 14 of low or moderate income.

15     ~~(e)~~  
 16     (d) “Recidivism” means a conviction of a new felony or  
 17 misdemeanor committed within three years of release from custody  
 18 or committed within three years of placement on supervision for  
 19 a previous criminal conviction.

20     6046.2. (a) The Second Chance Fund is hereby created in the  
 21 State Treasury. The board shall be responsible for administering  
 22 the fund. Moneys in the fund are hereby continuously appropriated  
 23 without regard to fiscal year for the purposes of this article.

24     ~~(b) (1) The Board of State and Community Corrections shall~~  
 25 ~~deposit the moneys disbursed to it~~ *Controller, upon order of the*  
 26 *Director of Finance, shall transfer moneys available to the Board*  
 27 *of State and Community Corrections pursuant to paragraph (3) of*  
 28 *subdivision (a) of Section 7599.2 of the Government Code into*  
 29 *the Second Chance Fund.*

30     (2) The Second Chance Fund may receive moneys from any  
 31 other federal, state, or local grant, or from any private donation or  
 32 grant, for the purposes of this article.

33     (c) The board shall not spend more than 5 percent annually of  
 34 the moneys in the fund for administrative costs.

35     6046.3. (a) The board shall administer a competitive grant  
 36 program to carry out the purposes of this article that focuses on  
 37 community-based solutions for reducing recidivism. The grant  
 38 program shall, at minimum, do all of the following:

39     (1) Restrict eligibility to proposals designed to serve people  
 40 who have been arrested, charged with, or convicted of a criminal

1 offense and have a history of mental health or substance use  
2 disorders.

3 (2) Restrict eligibility to proposals that offer mental health  
4 services, substance use disorder treatment services, misdemeanor  
5 diversion programs, or some combination thereof.

6 (3) Restrict eligibility to proposals that have a public agency as  
7 the lead applicant.

8 (b) ~~The board shall create a committee to develop guidelines~~  
9 ~~for administration of the grant program, consistent with the~~  
10 ~~purposes of this article. The committee shall adopt form an~~  
11 ~~executive steering committee that includes, but is not limited to, a~~  
12 ~~balanced and diverse membership from relevant state and local~~  
13 ~~government entities, community-based treatment and service~~  
14 ~~providers, and the formerly incarcerated community. The~~  
15 ~~committee shall have expertise in homelessness and housing,~~  
16 ~~behavioral health and substance abuse treatment, and effective~~  
17 ~~rehabilitative treatment for adults and juveniles. The committee~~  
18 ~~shall make recommendations regarding the design, efficacy, and~~  
19 ~~viability of proposals, and make recommendations on~~ guidelines  
20 for the submission of proposals, including threshold or scoring  
21 criteria, or both, that do all of the following:

22 (1) Prioritize proposals that advance principles of restorative  
23 justice while demonstrating a capacity to reduce recidivism.

24 (2) Prioritize proposals that leverage other federal, state, and  
25 local funds or other social investments, such as the following  
26 sources of funding:

27 (A) The Drug Medi-Cal Treatment Program (22 Cal. Code Regs.  
28 51341.1, 51490.1, and 51516.1).

29 (B) The Mental Health Services Act, enacted by Proposition 63  
30 at the November 2, 2004, general election, as amended.

31 (C) Funds provided for in connection with the implementation  
32 of Chapter 15 of the Statutes of 2011.

33 (D) The Community Corrections Performance Incentives Act  
34 (Stats. 2009, Ch. 608; Chapter 3 (commencing with Section 1228)  
35 of Title 8 of Part 2).

36 (E) The tax credits established pursuant to Sections 12209,  
37 17053.57, and 23657 of the Revenue and Taxation Code.

38 (F) The federal Department of Housing and Urban Development  
39 funds, such as the Emergency Solutions Grant program (42 U.S.C.  
40 Sec. 11371 et seq.).

- 1 (G) The federal Department of Veterans Affairs Supportive  
2 Services for Veteran Families program (38 U.S.C. Sec. 2044).
- 3 (H) Social Innovation Funds established by the Corporation for  
4 National and Community Service pursuant to Section 12653k of  
5 Title 42 of the United States Code.
- 6 (I) The Edward Byrne Memorial Justice Assistance Grant  
7 Program (42 U.S.C. Sec. 3750 et seq.).
- 8 (3) Prioritize proposals that provide for all of the following:
- 9 (A) Mental health services, substance use disorder treatment  
10 services, misdemeanor diversion programs, or some combination  
11 thereof.
- 12 (B) Housing-related assistance that utilizes evidence-based  
13 models, including, but not limited to, those recommended by the  
14 federal Department of Housing and Urban Development.  
15 Housing-related assistance may include, but is not limited to, the  
16 following:
- 17 (i) Financial assistance, including security deposits, utility  
18 payments, moving-cost assistance, and up to 24 months of rental  
19 assistance.
- 20 (ii) Housing stabilization assistance, including case management,  
21 relocation assistance, outreach and engagement, landlord  
22 recruitment, housing navigation and placement, and credit repair.
- 23 (C) Other community-based supportive services, such as job  
24 skills training, case management, and civil legal services.
- 25 (4) Prioritize proposals that leverage existing contracts,  
26 partnerships, memoranda of understanding, or other formal  
27 relationships to provide one or more of the services prioritized in  
28 paragraph (3).
- 29 (5) Prioritize proposals put forth by a public agency in  
30 partnership with a philanthropic or nonprofit organization.
- 31 (6) Prioritize proposals that promote interagency and regional  
32 collaborations.
- 33 (7) Consider ways to promote services for people with offenses  
34 identical or similar to those addressed by the Safe Neighborhoods  
35 and Schools Act of 2014, without precluding assistance to a person  
36 with other offenses in his or her criminal history.
- 37 (8) Consider geographic diversity.
- 38 (9) Consider appropriate limits for administrative costs and  
39 overhead.
- 40 (10) Consider proposals that provide services to juveniles.



1 (11) Permit proposals to expand the capacity of an existing  
2 program and prohibit proposals from using the fund to supplant  
3 funding for an existing program.

4 ~~(e) The committee shall consist of 13 members and shall be~~  
5 ~~composed as follows:~~

6 ~~(1) A formerly incarcerated individual who has received or is~~  
7 ~~receiving mental health or substance use disorder treatment.~~

8 ~~(2) A family member of a current or formerly incarcerated~~  
9 ~~individual.~~

10 ~~(3) A mental health expert, appointed by the Senate Committee~~  
11 ~~on Rules.~~

12 ~~(4) A substance use disorders expert, appointed by the Speaker~~  
13 ~~of the Assembly.~~

14 ~~(5) A housing programs expert.~~

15 ~~(6) An expert on homelessness.~~

16 ~~(7) Two community-based supportive service providers with~~  
17 ~~experience in providing services to formerly incarcerated~~  
18 ~~individuals and reducing recidivism.~~

19 ~~(8) A community supervision expert.~~

20 ~~(9) An academic expert with a history of research and expertise~~  
21 ~~on the best practices for reducing recidivism.~~

22 ~~(10) A member of the board.~~

23 ~~(11) A public agency administrator.~~

24 ~~(12) An additional expert, to be selected by the board.~~

25 ~~SEC. 3.~~

26 *SEC. 5.* The Legislature finds and declares that this act furthers  
27 the intent of the Safe Neighborhoods and Schools Act enacted by  
28 Proposition 47 at the November 4, 2014, general election.