

Detailed Description of Growth Allocation

Beginning 2014-15

For the growth formula to function as an incentive system, as it is designed to be, the incentives must be clear enough that counties know which outcomes are rewarded.

The interim growth formula the RAC recommended to the Department of Finance incentivizes success in two broad categories: probation (80%) and incarceration (20%). In each of these categories, the formula rewards both ongoing success and year-over-year success.

That formula will begin to be implemented with 2014-15 growth, when it will be the basis for how about 43 percent of the growth funds (or \$54,585,518) will be divided among counties. Beginning in 2015-16, and for the duration of the formula's effectiveness, the entire growth amount, if any, will be allocated based on the formula.

The growth formula will be recalculated each year using updated data. For 2014-15 growth (distributed in October of 2015), the formula will use data from 2013 and improvements from 2012.

For the time being, unlike other realignment allocation schemes with which counties are already familiar, the annual growth allocations will **not** affect county base allocations. The RAC expressed an interest in revisiting the growth formula in a few years when new standardized, statewide datasets are available, and they plan to begin having growth adjust base allocations after that point.

Incarceration – 20%

2nd Strikers: The first step in calculating growth allocations is to determine which counties sent fewer felons to prison with second-strike designations than in the previous year. Counties will get a direct allocation of \$27,309 for each one. This allocation is taken off the top, making it technically not part of the 20% allocated to incarceration incentives.

Example: Monterey County sent seventy-six felons to prison with second-strike designations in 2012, but only seventy-five in 2013. Monterey County will receive \$27,309 in 2014-15 growth funds. However, **if** in 2014 the county's number rises to seventy-seven, the county will not receive any of these funds from 2015-16 growth. Fourteen counties qualify in 2014-15 for a total of \$1,501,995 growth funds.

Incarceration Reduction – 10%: Counties that send fewer felons to prison on new convictions from one year to the next qualify for these funds, which total \$5,308,352 for 2014-15 growth. (\$54,585,518 is available for performance, minus \$1,501,995 for 2nd

striker reduction, leaving \$53,083,523. Ten percent of that rounds to \$5,308,352.) The number fewer is calculated as a share of the number fewer sent from all qualifying counties statewide, and the county receives that share of these funds.

Example: Humboldt County sent 132 felons to prison on new convictions in 2012, but only 115 in 2013, for a reduction of 17. The sixteen counties that qualify for this funding sent a total of 374 fewer felons to prison in 2013 than they did in 2012. Humboldt's share of this is 4.55%. Since this pot of money will be \$5,308,352 for 2014-15 growth, Humboldt County will receive \$241,289.

Incarceration per Capita – 10%: Counties that have a lower rate of incarceration per capita than the statewide rate qualify for these funds, which total \$5,308,352 (see calculation above). The rate is calculated by taking the number of felon admissions for new convictions from a county and dividing it by the county's adult population (those aged 18 to 64). We chose to multiply that result by 100,000 so the numbers would be a reasonable size and not buried in decimal places. That rate is then subtracted from the statewide rate to determine how many more people would be imprisoned if the county's rate were not lower than the statewide rate. That number is compared to the total of all counties that qualify for these funds and the county receives that share of these funds.

Example: Ventura County sent 555 felons to prison on new convictions in 2013 and has an adult population of 529,640, so Ventura's rate of prison admissions per 100,000 adults is 104.79. The statewide rate is 154.20. If Ventura's rate had been 154.20, they would have sent an additional 261.7 people to prison. If all of the 29 counties with rates lower than the statewide rate had been at 154.20 then they would have collectively sent 7,099.9 more people to prison. Ventura's share of that is 3.69% (261.7 divided by 7099.9). Since this pot of money will be \$5,308,352 for 2014-15 growth, Ventura County will receive \$195,656.

Probation – 80%

Felony Probation Performance – 60%: The SB 678 success criteria is one that has featured in every AB 109 formula so far, and in 2014-15 growth these funds will be \$31,850,114. (\$54,585,518 will be available for performance, minus \$1,501,995 for 2nd striker reduction, leaving \$54,585,518. Sixty percent of that rounds to \$31,850,114.) The data is determined by taking the annual felony probation population for a county and subtracting the number of those revoked to prison or jail. Each county's number of non-failed probationers is then calculated as a share of the number statewide, and the county receives that share of these funds.

Example: Imperial County had 1,302 non-failed probationers. Since there were 285,337 non-failed probationers statewide in 2013, Imperial's share is 0.46%, or \$145,333.

Felony Probation Failure Rate Improvement – 20%: Counties that improve their felony probation failure rate from one year to the next qualify for these funds, which will be \$10,616,705 for 2014-15 growth. The failure rate is determined by dividing the total felony probation population by the number revoked to prison or jail. If that rate decreases from one year to the next, then the difference between the two is multiplied by the county's total felony probation population to determine how many more people would have been revoked to prison or jail if the county had not improved its failure rate. The county's number is then calculated as a share of the total number among all counties that qualify, and the county receives that share of these funds.

Example: Yuba County's failure rate decreased by 2.3% from 2012 to 2013. This represents 13.5 people that would have otherwise been revoked to prison or jail. The total among all sixteen counties statewide that improved their failure rates was 554.5, so Yuba's share is 2.44%, or \$258,859.