

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose
SPONSOR: Young Women's Freedom Center

BILL NUMBER: ACA 3
AUTHOR: Kamlager, Sydney

BILL SUMMARY: Involuntary servitude.

This amendment revises the California Constitution, subject to voter approval, to prohibit involuntary servitude in all cases, including as punishment for a crime.

FISCAL SUMMARY

The total potential fiscal impact of the amendment depends on how it will be interpreted and implemented. The amendment does not define involuntary servitude and therefore it is unclear how it would affect forms of work currently done by people in the criminal justice system. Ultimately, the fiscal impact for this amendment is unknown, but potentially significant.

The California Department of Corrections and Rehabilitation (CDCR) has almost 65,000 work assignments for incarcerated persons. If CDCR were required to pay incarcerated workers minimum wage (\$15 per hour, effective January 1, 2022), CDCR estimates approximately \$1.5 billion General Fund in increased costs. If the minimum wage increase to \$15.50 per hour on January 1, 2023, as expected, the cost to CDCR would be approximately \$1.6 billion General Fund. In addition, the Department anticipates additional costs associated with increased workers' compensation, overtime, sick leave, and the potential for salary compaction associated with greater wages for higher levels of work, but were unable to provide a fiscal estimate for those costs at the time of this analysis.

This amendment could also result in significant costs to local entities, but they are similarly unknown and depend on how involuntary servitude is defined. For example, judges can currently require people to perform community service in lieu of paying a fine or being incarcerated. This work is unpaid, but if it is ultimately considered involuntary servitude, it may no longer be allowed. A 2019 report issued by UCLA estimated that Los Angeles County issues around eight million community service hours annually. Assuming Los Angeles County represents about one third of all statewide case dispositions, annual California community service hours imposed statewide could be about 23 million. Multiplying those hours by a minimum wage of \$15 per hour, the statewide cost would be about \$345 million annually. Finance notes that this is a very rough estimate and does not include community service hours performed by individuals while they are housed in county jails. Including service hours performed by individuals in county jails would likely increase this cost estimate.

The Department of Justice (DOJ) indicates this bill could result in \$560,000 Legal Services Revolving Fund in 2022-23, increasing to \$772,000 in 2023-24 and ongoing. The resources would fund two Deputy Attorney Generals and a Legal Secretary to handle increased litigation as a result of the changes. Under existing law, DOJ is authorized to charge client departments for legal services so these costs would ultimately be borne by CDCR's General Fund.

Table with 4 columns: Analyst/Principal, Date, Program Budget Manager, Date. Includes rows for L. Ishimoto/J. Adelman, Department Deputy Director, Governor's Office, and signature lines for Position Approved and Disapproved.

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**FISCAL SUMMARY** (continued)

The Judicial Council indicates this constitutional amendment may create unknown, but potentially significant costs, for the Judicial Branch to hear petitions from convicted individuals, who are incarcerated or under supervised release who believe the conditions of their sentence subject them to involuntary servitude, as specified by this amendment. To the extent this bill results in additional civil petitions, it could add to trial courts' caseload, which increases backlogs and could create a pressure on the General Fund to handle the increased caseload. However, we note that the courts do not typically receive funding on a workload basis; therefore, unless this particular caseload becomes significant and can be documented, it is likely to be absorbed.

This constitutional amendment would require voter approval. The Secretary of State estimates a one-time fiscal impact of \$546,000 to \$728,000; the cost per page in the ballot pamphlet is \$91,000 and it would require six to eight pages. The actual costs may differ depending on the length of required elements and overall size of the ballot.

**COMMENTS**

The Department of Finance is opposed to this amendment because, depending on the amendment's interpretation, it could result in significant increased costs and operational difficulties across state and local entities. While the Department of Finance is sensitive to the intention of this amendment, the costs associated with this bill have the potential to exceed at least \$1.5 billion General Fund annually.

Existing law prohibits slavery, as well as prohibits involuntary servitude, except to punish crime.

Existing law provides that CDCR require every able-bodied prisoner to perform faithful labor during their term of imprisonment as prescribed by regulations. Labor can include a job held by an incarcerated person, participation in rehabilitative programs, or a combination of work or other programs.

This amendment revises the California Constitution to prohibit involuntary servitude in all cases, including as punishment for a crime, subject to voter approval in a general election. This amendment is similar to the Attorney General-proposed Initiative 21-0003, which would also prohibit both slavery and involuntary servitude, without exception.

Federally, the U.S. Congress recently passed Senate Joint Resolution 21 and House Joint Resolution 53, which propose an amendment to add similar language to the US Constitution, stating, "neither slavery nor involuntary servitude may be imposed as punishment for a crime."

According to the author's office, involuntary servitude results in negative psychological effects and the lack of personal choice can lead to a diminished sense of self, autonomy, self-efficacy, and ability to relate to and trust others.

**BILL ANALYSIS--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code	
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2022-2023	FC	2023-2024	FC	2024-2025	
5225/Corr Rehab	SO	No	C	100-1,600,000	C	100-1,600,000	C	100-1,600,000	0001
8885/Comm St Mndt	LA	No	L	345,000-357,000	L	345,000-357,000	L	345,000-357,000	0001
0250/Jud Branch	LA	No		----- No/Minor Fiscal Impact -----				0001	
0820/Justice	SO	No	C	560	C	772	C	772	9731
0890/Secty State	SO	No	C	546-728	C	0	C	0	0001
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
9731	Legal Services Revolving Fund								