



April 9, 2002

TO: ALL MEMBERS, CALIFORNIA STATE LEGISLATURE

FROM: LARRY McCARTHY, PRESIDENT

SUBJECT: CAL-TAX OPPOSITION TO THE CLOSURE OF PRIVATE
COMMUNITY CORRECTIONS FACILITIES

The California Taxpayers' Association opposes the proposal to close the five private community corrections facilities at the end of the June of this year, and we respectfully urge the Legislature to reject this costly proposal.

As this state faces a \$17.5 billion budget deficit, closing these facilities is exactly the wrong direction because it will exacerbate California's financial crisis. The initial fiscal impact of the closures by the Department of Finance (DOF) pegged a cost savings at \$5.1 million. Subsequently, the state Legislative Analyst (LAO) declared the savings would be merely \$2.8 million. However, as we point out in the attached *Cal-Tax Digest* article, the closures would actually cost taxpayers over \$16 million when calculating direct and indirect prison costs that were potentially excluded from the DOF and LAO projections.

What this means is that the State of California could actually pay over \$16 million to save \$2 million to \$5 million.

Taxpayers deserve better treatment than this for the hard-earned tax dollars that they pay. We hope the Legislature will take a close look at the cost effectiveness of the CCF program and reject the proposal to close them.

cc: Governor Gray Davis