

Funding Proposal: Preventing Human Trafficking and Supporting Survivors in California

A budget request focused on new approaches to understand, educate, and prevent human trafficking & support survivors in accessing justice

Worldwide, human trafficking has increased by 12% between 2016-2021¹. Since data collection began in 2007, California has consistently been the state with the largest number of survivors of trafficking² (“survivors”). Economic disparities intensified by the COVID-19 pandemic coupled with technological advancements and an increasingly globalized world have exacerbated conditions which make communities vulnerable to sex and labor trafficking. California must take steps to mitigate and prevent this growing problem so community safety and survivor stability are not dependent on an increasing share of state resources.

Given the prevalence of human trafficking in California today, California cannot simply rely on prosecuting accountable actors as a way of curtailing the crime. Despite expanding carceral sentences and increasing resources to law enforcement to combat human trafficking our communities are not safer. Evidence strongly suggests these methods do little to deter traffickers from exploiting, abusing, and benefiting from the labor and services of others. California must begin to invest resources in better understanding the scope and nature of the crime in the state, as well as investing in forward thinking deterrent methods that can stop the crime from occurring all together.

We are requesting **\$30.25 million in one-time funding** from the State’s General Fund for resources that will allow us to understand the changing landscape of the crime and pilot new approaches to prevention. Additionally, we are requesting **\$9.75 million annually in continued funding** for programs and support which will increase identification and enforcement efforts as well as ensure that service providers and government agencies across *all* sectors are properly equipped to meet the challenges of an ever-changing problem.

Now is the time to provide California with the infrastructure needed to better understand how survivors are preyed upon in an increasingly digital landscape and invest in the programs and tools needed to identify, combat and prevent the crime. This investment will cement California’s legacy as being a leader in combatting human trafficking, save millions of dollars in the long-term, and will make our state safer for *everyone*.

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¹ <https://polarisproject.org/blog/2022/09/new-estimates-of-human-trafficking-in-the-world-shocking-but-not-surprising/>

² <https://humantraffickinghotline.org/en/statistics>



One-Time Funding Requests

PROGRAM	DESCRIPTION	COST
Prevalence Study	Gain a better understanding of the extent, prevalence, location and demographics of impacted communities	\$3,000,000
Educational Curriculum	Develop educational curriculum to prevent human trafficking and foster safer relationships in CA Schools	\$2,500,000
Restorative Justice Pilot Project	Develop and Administer the nation's first restorative justice program as an alternative to traditional carceral punishment	\$25,000,000
TOTAL ONE-TIME REQUEST REQUESTED ONE-TIME		\$30,250,000

Continuing Budget Requests

PROGRAM	DESCRIPTION	COST
Training & Technical Resources	Providing Training and Technical Resources to Service Providers and other first responders;	\$3,750,000/yr
Outreach and Enforcement through Civil Rights Division (CDR)	Increasing outreach and enforcement through CRD	\$3,000,000/yr
Outreach and Enforcement through Department of Industrial Relations (DIR)	Empowering DIR to prevent trafficking state wide	\$3,000,000/yr
TOTAL REQUESTED IN CONTINUED FUNDING		\$9,750,000

Human Trafficking in California



California consistently has the largest concentration of reported survivors of human trafficking in the United States³ but to date, still lacks a cohesive strategy to identify, combat, and prevent human trafficking. Human trafficking is a \$150 billion dollar industry globally⁴. Despite exploitation

for commercial purposes being a growing global issue, trafficking is largely 'hidden in plain sight.' Without proper investments into research, education, and preventative programs, survivors of human trafficking remain unidentified and often trapped in cycles of exploitation and abuse. It is estimated that only 10% to 20% of victims ever come into contact with first responders or service providers.⁵

Many factors allow human trafficking to flourish in California including, but not limited to, its proximity to international borders, the number of ports and airports within the state, a significant immigrant population, and a large economy with diverse industries that attract forced labor and sex trafficking⁶. Further, traffickers, particularly perpetrators of labor trafficking, engage in such exploitative practices because there is limited enforcement of wage and hour as well as other civil claims⁷. Companies and individual actors know they can commit these abuses because those they prey upon lack the support and ability to access legal mechanisms of redress. For nearly 20 years, the state has been overly reliant on law enforcement as the primary point of prevention for trafficking. In doing so, California has missed vital cost-saving opportunities to improve its identification and preventative efforts.

History of Funding Allocations in California

Now is the time to reevaluate our approach and work towards building proven preventative strategies and systems which support survivors in accessing justice and redress.

Considering overwhelming evidence of effective and efficient approaches to combat human trafficking, we urge the State to consider investing in these programs and initiatives so that we are not only supporting survivors who have been victimized in these heinous ways, but also ensuring that all Californians are safe from these crimes.

³ See, e.g., The State of Human Trafficking in California, CALIFORNIA DEPT. OF JUSTICE, OFFICE OF THE ATTORNEY GENERAL (2012), <http://oag.ca.gov/sites/all/files/agweb/pdfs/ht/human-trafficking-2012.pdf> (reporting that the majority of sex trafficking victims identified in California are U.S. citizens); see also Abby Sewell, Most L.A. County Youths Held for Prostitution Come from Foster Care, L.A. TIMES, November 27, 2012, <http://articles.latimes.com/2012/nov/27/local/la-me-1128-sex-trafficking-20121128>;

<https://humantraffickinghotline.org/en/statistics>

⁴ CITATION – 150B industry / globally

⁵ Carpenter, Ami, et al, "Measuring the Nature and Extent of Gang Involvement in Sex Trafficking in San Diego," 2016, National Institute of Justice; <https://www.ncjrs.gov/pdffiles1/nij/grants/249857.pdf>. The Carpenter 2016 article cites two other articles as support for a 15–20% figure.

⁶ <https://www.castla.org/human-trafficking/>

⁷ <https://www.nytimes.com/2023/04/17/us/politics/migrant-child-labor-biden.html>;

<https://www.nytimes.com/2023/02/25/us/unaccompanied-migrant-child-workers-exploitation.html>



In 2014, the California State Legislature took an important first step in improving access to comprehensive services by approving a \$10 million, one-time funding request for organizations providing comprehensive direct services to victims of trafficking. In 2015, the California State Legislature established a Human Trafficking Victim Assistance Fund, to which it allocated another \$10 million one-time award. The California State Legislature approved an additional one-time funding request of \$5 million in 2017, and another one-time funding request of \$10 million in 2018. Through each of these funding allocations, the California Office of Emergency Services ("Cal OES") solicited funding proposals from human trafficking service providers and awarded

funds to at least 21 different providers across the state. Ultimately, in June 2019, Governor Gavin Newsom signed a state budget into law that established \$10 million annually in continuing funding to human trafficking services providers. In 2021 in response to the COVID-19 pandemic Governor Newsom included an additional \$30 million in one-time funding for human trafficking services and in 2023 with this funding expiring he included an additional \$17 million in one-time funding for services.

Outside of specialized human trafficking money allocated for law enforcement and direct services, California has never funded any other government agencies or programs to prevent trafficking in our state.

Explanation of Funding Requests: Supporting Survivors & Preventing Human Trafficking in California

(1) Investing in Understanding the Problem: Human Trafficking Prevalence Study

Given the wide-spread misunderstanding of commercial exploitation in our state, identifying survivors is a challenging endeavor. The data which is currently available is largely generated from hotline calls to the National Trafficking Hotline which reflects only demographic information for individuals who are *able* to make such a call to a crisis line. Other local statistics are often based on policing priorities and prosecutions. These numbers do not capture the number of individuals who are *unable* to make such a call because of safety risks, lack of awareness, age, linguistic isolation, limited ability to understand and assert their rights, and of course, the large number of individuals who do not self-identify as being trafficked because of pervasive public misconceptions about what human trafficking entails.



To date, no comprehensive study exists on the prevalence of labor or sex trafficking in California⁸. In order to more effectively address and prevent trafficking, the State must better understand the size and complexity of the problem, including identifying risks and protective factors for victimization. Further we must understand the demographics of who is being exploited and in which industries trafficking is most prevalent⁹. In expending money to understand what trafficking truly looks like in our state, California will save costs in the long-run because we will have evidence-based data to develop policies and practices to prevent trafficking in the first place. In taking such action, California will be the first state to invest in generating this valuable data.

Unfortunately, while many legislative efforts in California and elsewhere have focused on how best to prosecute and punish traffickers, studies aimed at understanding and reducing trafficking are often underfunded or ignored altogether. They also often have focused on sex trafficking only. In order to address this issue aggressively, California needs a comprehensive understanding of the dynamics of human trafficking across the state — including the type of trafficking (sex and/or labor) and who is being trafficked (age, gender, ethnicity, nationality, etc.) and places where trafficking is occurring (region, county, industry).

Robust, comprehensive data will help drive research-informed policies, enable government agencies to effectively combat and prevent trafficking, and help improve services for trafficking victims. Therefore, **one-time funding of \$3.3 million** is needed to support a prevalence study on human trafficking for California.

One-Time Funding for Prevalence Study

CATEGORY	BRIEF EXPLANATION	COSTS
Personnel	Salaries & wages for researchers & fringe benefits	Year One: \$500,000 Year Two: \$500,000 Year Three: \$500,000
Travel & Supplies	Travel to field interviews and meetings; iPads and software for recording interviews, software for data input and analysis, gift cards to incentivize participation in study.	TOTAL: \$1,500,000
Consultants	Consultants to assist in gathering and interpreting complex data sets; contractors to transcribe interviews.	Year One: \$500,000 Year Two: \$500,000 Year Three: \$500,000 TOTAL: \$1,500,000
		TOTAL COST: \$3,000,000

Cost, Methodology and Feasibility of California Prevalence Study

This will be the first comprehensive, statewide research study of the prevalence of human trafficking in California. It is estimated a study as complex as this will take approximately three

⁸ Sheldon X. Zhang, Ph.D. November 2012. "Looking for a Hidden Population: Trafficking of Migrant Laborers in San Diego County." Accessed August 7, 2019 at <https://www.ncjrs.gov/pdffiles1/nij/grants/240223.pdf>.

⁹ Emily F. Rothman, Hanni Stoklosa, et. al., "Public Health Research Priorities to Address US Human Trafficking" (July 2017). Accessed October 25, 2023 at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5463242/>



years to fully conduct. This study will involve data mining of reported cases, accessing intake records from victim service providers, and selecting locations for primary data collection. Collecting robust data on this information will assist both government agencies and service providers in understanding the scope and the changing nature of the human trafficking epidemic in California.

Conducting a reliable prevalence study is feasible given technological advancements in the last 10 years. Potential methodologies could include (1) "MSE" (Multiple Systems Estimation) — using multiple known-to-be incomplete lists of victims to estimate the "hidden" victim population¹⁰, or

(2) using interviews within known high-risk populations to estimate the incidence (percentage) of human trafficking within each population.¹¹ Moreover, California is rich in potential data. A good study, using these data, can produce reliable prevalence information by either or both methods described above.

The cost estimates for this study are based on two of the only prevalence studies which were Conducted in San Diego County: (1) "Looking for a Hidden Population: Trafficking of Migrant Laborers in San Diego County" led by Dr. Zhang and (2) "The Nature and Extent of Gang Involvement in Sex Trafficking in San Diego County," led by Dr. Jamie Gates and Dr. Ami Carpenter. These studies, provide a helpful comparison when estimating the costs of a statewide study. Dr. Zhang's study cost \$522,000 over 3 years. The study conducted by Dr. Carpenter and Dr. Gates cost \$400,000 over 2 years. Dr. Gates noted, "Estimating the number of victims in this clandestine activity has been profoundly difficult, time-consuming and dependent on a wide range of partnerships and trusted relationships in our region that opened the door to the data we needed." Dr. Zhang advised that covering both labor and sex trafficking in one study raises costs significantly, as these are different markets and require different sampling and field procedures.

The approximate cost of this study is based on costs for previous studies which concentrated on one geographic area and one form of trafficking as well as discussions with the researchers in this field, a conservative estimate indicates that an accurate, robust prevalence study across the state of California which examines both sex and labor trafficking will greatly benefit anti-trafficking efforts and make resources spent more effective in preventing and combating human trafficking.

¹⁰ MSE was used in the United Nations Office of Drugs and Crime's estimate of human trafficking victims in the Netherlands, and was used by the UK government to estimate the prevalence of human trafficking in the UK. MSE was also used in the 2018 Global Slavery Index (specific regions) and is currently being used in an ongoing study of the prevalence of human trafficking in the city of New Orleans. MSE has been employed in a number of other contexts, including healthcare. The National Academy of Sciences held a webinar on April 8, 2019 entitled "Estimating the Prevalence of Human Trafficking in the United States," in which the presenters gave favorable reviews of MSE.

¹¹ This method was used in both the 2012 San Diego study of labor trafficking among migrant workers and the 2016 San Diego study of gang influence on sex trafficking, both funded by the U.S. Department of Justice. The State of Texas used this method in a prevalence study completed in 2018.



(2) Centralized Provision of Training and Technical Resources to First Responders

Despite some strides forward by the State in the last 20 years to address human trafficking, there remains wide-spread misunderstandings about what constitutes human trafficking by social service providers, attorneys, law enforcement agencies, elected officials, medical professionals as well as within vulnerable communities and the population at large. Stronger efforts are needed to provide better education and training to a wide range of first responders so that they are equipped with the knowledge and tools to effectively identify survivors and support their recovery.

The field of domestic violence prevention can serve as a prototype for California's human trafficking programs where a centralized, statewide provision of training and technical resources has been developed for service providers. Every state across America currently has one federally recognized State Domestic Violence Coalition which provides technical assistance and training to

local domestic violence programs.¹² These state Coalitions help provide supervision, direction, coordination, and administration of statewide activities related to the prevention of domestic violence. While these Coalitions do receive some federal funding, the continuity and amount of federal funding remains uncertain and subject to change under the current federal political dynamics. In California, for example, the state Coalition is the California Partnership to End Domestic Violence, which receives funding from Cal OES.¹³ The California Partnership to End Domestic Violence provides a wide range of technical assistance and training services to over 100 domestic violence programs across the state.¹⁴

A similar model should be implemented to assist human trafficking service providers. Statewide. Currently California has fallen behind other states in this approach. For example technical support and training for human trafficking service providers and law enforcement have been established in a North Carolina (North Carolina Coalition Against Human Trafficking),¹⁵ Minnesota (Minnesota Human Trafficking Task Force),¹⁶ Maine (Maine Sex Trafficking and Exploitation Network),¹⁷ North Dakota (FUSE--Force to End Human Trafficking and Exploitation),¹⁸ Washington (WARN--Washington Anti-Trafficking Response Network),¹⁹ Kentucky (Kentucky Rescue and Restore

¹² U.S. Dept. of Health and Human Services, "State Domestic Violence Coalitions," <https://www.acf.hhs.gov/fysb/programs/family-violence-prevention-services/programs/state-dv>.

¹³ California Partnership to End Domestic Violence, <http://www.cpedv.org>; *see also* Annual Report 2017-2018, 14 <http://www.cpedv.org/annual-reports-financials>; Past Financials, 2017-18, 24, http://www.cpedv.org/sites/main/files/file-attachments/2018_form_990_fye_06.30.18_no_state.pdf5.

¹⁴ California Partnership to End Domestic Violence, "Professional Training and Services," <http://www.cpedv.org/professional-training-and-services>; "Domestic Violence Member Programs," <http://www.cpedv.org/domestic-violence-organizations-california>.

¹⁵ <http://www.nccasa.org/resources/human-trafficking-resources>.

¹⁶ <http://mnhttf.org/>.

¹⁷ <http://www.mainesten.org/>.

¹⁸ <http://www.projectfuse.org/>.

¹⁹ <http://www.warn-trafficking.org/>.



Coalition),²⁰ and Colorado (Colorado Network to End Human Trafficking).²¹ **California, which faces a higher incidence of human trafficking than each of these states, should follow suit by dedicating resources to a program which acts as a centralized source of training and technical support for human trafficking service providers across the state.** We are requesting **3.75 million as a continued budget** request to ensure such technical assistance and training is available to service workers across all sectors. These programs will be administrated through a competitive grant process through CAL-OES. The amount is broken down as follows:

Training for First Responders: \$1.5 million annually is being requested, to be broken into three grants annually of \$500,000 to cover a 2-year training period. This funding will be used to develop and deliver training statewide to the diverse groups of front-line “responders” who might encounter a survivor who is currently in their trafficking situation or has recently escaped. or These first responders could include law enforcement agencies, labor inspectors, child welfare workers, school educators, health care providers, shelter and housing workers, as well as attorneys like prosecutors and public defenders. This grant structure provides flexibility to support various organizations as needed.

Continued funding for different types of responder-specific training would allow for an extensive range of outreach points to touch the full diversity of potential human trafficking victims, including both adults and children involved in labor and/or sex trafficking. As more individuals on the “front lines” are trained, new trafficking cases will be prevented, and more victims will be identified and connected with the services they need to escape from trafficking situations and to rebuild their lives.

Centralized Technical Support: \$2.25 million annually is being requested for centralized, statewide technical consultation on human trafficking. This funding will provide community-based service providers, law enforcement, and government agencies with a common resource to field individual questions, coordinate state-wide taskforce efforts, and support those establishing new human trafficking programs or expanding services in otherwise under resourced regions within the state. A centralized agency with statewide reach will be able to provide ongoing technical support to service providers, law enforcement, and state agencies - support and advice which is standardized and high quality. This will in turn increase the capacity of these organizations and coalitions to identify and respond to the diverse needs of a diverse survivor population. Further, funding a centralized source for technical consultation will also increase opportunities for training and professional development to ensure that all Cal OES-funded victim services agencies are able to provide standardized trauma-informed, culturally humble, high-quality care.

Continued Budget Cost for Training & Technical Assistance

CATEGORY	BRIEF EXPLANATION	COSTS
Training	Ongoing training for service providers, first responders, and law enforcement.	\$1.5 million- divided into 3 grants of \$500,000

²⁰ <http://www.rescueandrestoreky.org/>.

²¹ <http://combathumantrafficking.org/about-lcht/our-work/coneht-hotline/>.



Centralized Technical Support	Centralized, statewide technical consultation and resource provision for staff personnel, including survivor leaders and research contracts	\$ 2,250,000
TOTAL COSTS: \$3,750,000		

(3) Allocation of Funding for Human Trafficking Curriculum

Recent investigations have revealed that the number of minors and youth who are being trafficked has exponentially grown across the United States²². This risk of commercial exploitation will only grow amongst youth given the increased geopolitical and climate insecurity in certain regions of the world which are pushing migrants, many of which are unaccompanied children, to the United States. In the sex trafficking context, individuals are often trafficked as children but not identified until they are adults or never identified as victims. Recent reports also reveal a similar trend with labor trafficked children, but this form of commercial exploitation remains largely overlooked and undercounted²³.

A step to prevent trafficking California can take to address this explosive problem is developing and implementing comprehensive preventative education for children in public schools. This curriculum would be used to (1) raise awareness of the tactics used by traffickers to deceive, groom and coerce minors into all forms of trafficking and (2) give California students the resources and assurance to seek help and support when they are being victimized, or potentially victimized. This funding will allow California to fulfill the intent of the Human Trafficking Prevention Education & Training Act (AB1227) adopted into law in 2017.

Although to date, no statewide curriculum has been developed and implemented, since AB 1227 was passed, education initiatives have demonstrated their effectiveness in preventing trafficking. For example in a survey of educators conducted by 3Strands Global Foundation, 99% of educators responded that after receiving training on this topic, they had the knowledge necessary to refer students to resources and that they better understood the services offered to trafficking victims. Additionally, 61% of the educators indicated that they were able to make a behavior change in how they interacted with students based on the training received.

Further the cost of investing in this initiative will be offset by the cost savings. Based on studies conducted in 2 California counties, Alameda and San Diego, between 0.23% and 0.68% of the county’s student population were victims of trafficking.²⁴ Extrapolating that statistic to the more than 4.7 million students in California in one year about 3,112 student

²² *Alone and Exploited, Migrant Children Work Brutal Jobs Across the U.S.* (Feb, 25, 2023) <https://www.nytimes.com/2023/02/25/us/unaccompanied-migrant-child-workers-exploitation.html>

²⁴ The Nature and Extent of Gang Involvement in Sex Trafficking in San Diego County; Heat Watch, http://www.heatwatch.org/human_trafficking/about_csec.

²⁴ The Nature and Extent of Gang Involvement in Sex Trafficking in San Diego County; Heat Watch, http://www.heatwatch.org/human_trafficking/about_csec.



may become a victim of trafficking. Since the **lifetime cost to a state for a single survivor of trafficking has been estimated to be about \$83,125 in rehabilitative services, this one-time request for 2.5 million is an investment could save the state \$250,000 million annually.** ²⁵

To fully implement AB 1227 a **one-time budget request of \$2.5 million** is requested to fund the development and implementation of human trafficking curriculum in California schools.

One-Time Funding Costs for Implementing Preventative Education

CATEGORY	BRIEF EXPLANATION	COST
Personnel	Salaries & wages for Program Manager, Education Director, Administrator, and Research and Curriculum Coordinator, plus 17% in benefit costs	Year 1: \$ 275,000 Year 2: \$ 275,000 Year 3: \$ 275,000 TOTAL: \$ 825,000
Program Development	Development of comprehensive, standard curriculum	Year 1: \$ 250,000 Year 2: \$ 100,000 Year 3: \$ 100,000 TOTAL: \$ 450,000
Technology	Technology; video production	Year 1: \$ 300,000 Year 2: \$ 300,000 Year 3: \$ 300,000 TOTAL: \$ 900,000
Miscellaneous	Rent, printing, legal and other miscellaneous costs	Year 1: \$ 100,000 Year 2: \$ 100,000 Year 3: \$ 100,000 TOTAL: \$ 300,000
TOTAL COSTS:		\$2,500,000

²⁵ *Human Trafficking by the Numbers: The Initial Benchmark of Prevalence and Economic Impact for Texas*, THE UNIVERSITY OF TEXAS AT AUSTIN, SCHOOL OF SOCIAL WORK pg. 16, T5 (Dec. 2016)
<https://sites.utexas.edu/idvsa/files/2019/03/Human-Trafficking-by-the-Numbers-2016.pdf>.



(4) Creation of an Outreach Program focused on Labor Trafficking within the California Civil Rights Department (CRD)(formerly DFEH)

Labor trafficking is particularly difficult to identify, as it is often conflated with labor exploitation or even shielded by a legitimate business façade. Labor trafficking arises in many situations, including domestic servitude, agricultural work, the service industry and construction. It spans across multiple industries and involves individuals who are isolated, vulnerable and may not speak English.²⁶ Global estimates indicate that millions of individuals are subjected to forced labor annually.²⁷

Almost 20 years after California first enacted anti-trafficking laws, no state agency has established a mandate to identify labor trafficking. A major factor in the State's struggle to effectively combat trafficking is a lack of a directive to existing agencies to address and prevent labor trafficking. While existing initiatives may target illegal activity tangential to labor trafficking (tax evasion, employment compliance, workplace health and safety, money laundering), there is a critical lack of funding for labor trafficking-specific initiatives. California agency officials stated that "increasing understanding and awareness about labor trafficking could help identify potential cases and develop new, collective strategies to combat labor trafficking." Even when confronted with labor trafficking victims, first responders may not be equipped to respond. Labor trafficking victims often endure great mental and physical abuse and often suffer from post-traumatic stress

disorder, anxiety, depression, and fear.²⁸ Additional resources are required to identify labor trafficking, and in turn prevent it. **A continued funding request of \$3 million** is being requested to enable CRD to expand its outreach efforts and by extension, its ability to identify and investigate labor trafficking crimes.

The California Civil Rights Department ("CRD") (formerly the Department of Fair Employment and Housing ("DFEH")) is the largest state civil rights agency in the country. CRD's mission is to protect the people from California from unlawful discrimination in employment, housing, and public accommodations, and from hate violence and human trafficking. In 2016, AB 1684 granted DFEH the authority to receive, investigate, conciliate, mediate, and prosecute civil complaints alleging human trafficking under the California Trafficking Victims Protection Act, California Civil Code, § 52.5. To date despite CDR handling over 20,000 complaints annually, **none** have been human trafficking complaints.

California must do more to educate California's exploited workers on the support CDR can provide in this area. This budget request seeks to create and maintain an outreach and education program within the CRD to bring awareness to both labor *and* sex trafficking in California. This program, dubbed *the Human Trafficking Civil Action Implementation*, would strengthen the current authority of CRD to combat labor trafficking by creating an anti-trafficking outreach and

²⁶ *Looking for a Hidden Population: Trafficking of Migrant Laborers in San Diego County*, Sheldon X. Zhang, U.S. DEP'T OF JUSTICE (2012), <https://www.ncjrs.gov/pdffiles1/nij/grants/240223.pdf>.

²⁷ Human Trafficking: Coordinating a California Response, Little Hoover Commission, June 2020 <https://lhc.ca.gov/sites/lhc.ca.gov/files/Reports/250/Report250.pdf>

²⁸ The Advocates for Human Rights. Labor Trafficking Protocol Guidelines: Identifying and Responding to Victims of Labor Trafficking 24 Years Old and Under. Accessed September 9, 2019 at https://www.theadvocatesforhumanrights.org/uploads/labor_trafficking_protocol_guidelines_final.pdf.



education pilot program that leverages enforcement and accountability efforts outside traditional law enforcement efforts.

This missed opportunity to improve identification and investigation of human trafficking is highlighted in the June 2020 Little Hoover Commission reports stating, “the [Little Hoover] Commission found that California’s response to human trafficking thus far has focused principally on combatting sex trafficking, particularly among minors” and that “state leaders [should] build on and expand those efforts to also target labor traffickers.”²⁹

Indeed, the limited data currently available on labor trafficking, demonstrates the need for increased specialized initiatives and funding to combat labor trafficking. Data in California shows that labor trafficking likely makes up cover 39% of all human trafficking in California.³⁰ Data has shown that labor trafficking victims do not often self-identify as victims and are less likely to come forward for lack of knowledge of their rights in the U.S. An agency like CRD which traditionally deals with workers’ rights issues is best situated for implementing more intensive outreach program to educate Californians their rights when it comes to labor trafficking and hopefully prevent trafficking before it starts.

Cost of Creating an Outreach Program

The 2021-22 budget provides DFEH with \$48.4 million to support 264.2 positions. This is an increase of roughly \$8 million and 30 positions relative to the 2020-21 budget. This includes

\$2 million to fund outreach campaigns and enforce housing civil rights laws. The Housing Equity Outreach and Enforcement under DFEH has a budget of \$2 million and a staff of eight people. In 2019 this unit participated in over 70 outreach events statewide, reaching more than 9,910 individuals with information about their rights and responsibilities under California’s civil rights laws, and created nearly a dozen guides and factsheets in multiple languages.³¹

The human trafficking civil action implementation act would allocate an additional \$3 million to be spent annually and add 12 staff members dedicated to creating implementing, and enforcing a campaign to help prevent human trafficking in California. Specifically, these individuals would work with “trusted messengers” who have demonstrated experience in carrying out activities of outreach directed at communities at risk of being trafficked. The staff would oversee, develop, and evaluate the efforts of CRD’s new Human Trafficking program, develop training modules and materials, and then once implemented receive and process complaints, and pursue civil enforcement against traffickers to prevent future exploitation of workers. .

Researchers estimate there could be as many as 495,293 labor trafficking victims among the migrant labor communities in California.³² If such efforts yield even a 2% increase of trafficked

²⁹ <https://lhc.ca.gov/sites/lhc.ca.gov/files/Reports/250/Report250.pdf> at P. 2

³⁰ <https://www.sandiegouniontribune.com/news/public-safety/story/2019-12-01/horrors-of-labor-trafficking-struggle-to-gain-same-public-recognition-as-sex-trafficking>

³¹ Budget Change Proposal, 1700-001-BCP-2021-GB, DEP’T FAIR EMPLOYMENT AND HOUSING, https://esd.dof.ca.gov/Documents/bcp/2122/FY2122_ORG1700_BCP4444.pdf

³² Sheldon X. Zhang, Ph.D. November 2012. “Looking for a Hidden Population: Trafficking of Migrant Laborers in San Diego County.” Accessed August 7, 2019 at <https://www.ncjrs.gov/pdffiles1/nij/grants/240223.pdf>.



individuals who were able to make a complaint as a result of the outreach program, over 10,000 additional 0 individuals per year would be able to seek assistance through CDR.³³

Continued Budget Cost Improving Outreach to Survivors through CRD

CATEGORY	BRIEF EXPLANATION	COSTS
Personnel	Salaries, wages and fringe benefits for 12 additional staff (case manager, counsel) ³⁴	TOTAL: \$ 1,140,000
Training and Outreach Operations	Development and production of educational, effective, trauma-informed materials, trainings, travel, translation, and technology to assist in this development ³⁵ Outreach and education efforts for service providers, first responders, and law enforcement ³⁶	TOTAL: \$ 1,750,000
TOTAL COSTS:		\$3,000,000 Annually

(5) Department of Industrial Relations (DIR) Dedicated Labor Trafficking Unit

Current initiatives to address labor trafficking are fragmented and there is a lack of coordination between agencies such as the California Department of Justice (Cal-DOJ) and California Civil Rights Department (CRD) to stop trafficking before it starts. Currently, two state agencies have jurisdiction for enforcement of trafficking crimes, DOJ and CRD. Both agencies, as needed, also coordinate with the Department of Industrial Relations ("DIR") when encountering labor trafficking cases. Despite this coordination, a DIR representative stated, "DIR does not have authority to investigate labor trafficking or have staff or resources dedicated specifically to combatting labor trafficking."³⁷ Providing this authority to DIR - whose mission is to improve working conditions and facilitate the enforcement of labor laws, - is a logical way to prioritize prevention and early identification of all forms of human trafficking in California.

DIR, within the Labor and Workforce Development Agency, administers Cal/OSHA, a program that has existed since 1973. CAL/OSHA is funded with federal and state resources (usually

³³ See generally Human Trafficking: Coordinating a California Response, Little Hoover Commission, June 2020 <https://lhc.ca.gov/sites/lhc.ca.gov/files/Reports/250/Report250.pdf>

³⁴ Numbers based on DFEH's total personnel services cost in fiscal year 2021.

³⁵ Numbers based on DFEH's projected budget for similar outreach efforts in connection with its fair housing initiative in 2022.

³⁶ Numbers based on DFEH's projected budget for similar training, consulting and technology costs in connection with its fair housing initiative in 2022.

³⁷ Dominic Forrest, Chief, Labor Enforcement Task Force, DEP'T OF INDUSTRIAL RELATIONS May 28, 2020. Written testimony to the Commission.



50% from state and federal government).³⁸ In 2020-21, while CAL/OSHA’s state-funded budget increased by 8%, the enforcement division’s budget only increased by .5%.³⁹ The 2021 budget allocated more than \$14 million to bolster Cal/OSHA in enforcing workplace safety standards, \$5 million to help workers pursue unpaid wage claims, and over \$8 million in funding to assist first responders and healthcare workers in accessing workers’ compensation benefits.

Cal/OSHA has a Labor Enforcement Task Force (“LETF”) unit, which is a coalition of state and local enforcement agencies. Collectively, these entities combat the underground economy, share information and resources, and conduct joint inspections throughout the state with the other agencies. A new unit within the task force, dedicated to combatting and preventing labor trafficking, would align with the already-existing unit’s goal. This unit would have the ability to coordinate with California’s DOJ and CDR to combat labor trafficking specifically.

We are requesting **\$3 million as part of a continued budget request** to support coordinating and enforcement efforts through the Department of Industrial relations. This is on par with other programs and investigative units funded within the state and this new funding would ensure the state focuses on labor trafficking the same way it fights sex trafficking. Proactively addressing labor trafficking through a dedicated unit in DIR would fill a current gap to ensure labor trafficking is prevented through coordination with local governments and other state agencies.

Continued Budget Cost for DIR Labor Trafficking Program

CATEGORY	BRIEF EXPLANATION	COSTS
Personnel	Salaries and wages for 12 additional staff (task force coordinator, administrator, staff attorneys) ⁴⁰	TOTAL: \$ 1,140,000
Direct Program on Going Costs	Training and implementation assistance; Coordination with other agencies; handling specialized trafficking cases	Year One: \$ 450,000 Year Two: \$ 450,000 Year Three: \$ 425,000 ⁴¹ TOTAL: \$ 1,825,000
TOTAL COSTS:		\$3,000,000 Annually

Between 2012 and 2020, the Division of Labor Standards Enforcement (“DLSE”) and Cal/OSHA conducted a number of inspections for labor and employment- related violations.⁴² During that period, DLSE identified 3,572 businesses out of compliance. There were 107 child

³⁸ *Federal Funding Disclosure (Stevens Amendment)*, CAL. DEP’T OF INDUSTRIAL RELATIONS (Oct. 2019)

<https://www.dir.ca.gov/federal-funding-disclosure.html>

³⁹ Fred Walter, *Cal/OSHA’s New Budget Raises Questions About the Future of Enforcement*, OSHA DEFENSE REPORT (Jan. 22, 2021) <https://oshadefensereport.com/2021/01/22/cal-oshas-new-budget-raises-questions-about-the-future-of-enforcement/>

⁴⁰ Numbers based on DFEH’s total personnel services cost in fiscal year 2021.

⁴¹ Numbers based on the California State Budget 2021-22 resources to DIR for the establishment of the Garment Worker Wage Claim Pilot Program.

⁴² Report to the Legislature, Dep’t of Indus. Rel. (March 2021) <https://www.dir.ca.gov/letf/LETF-Legislative-Report-2021.pdf>



labor violations identified and 266 minimum wage violations. Assuming a percentage of these violations reflect a similar level of potential labor trafficking violations, the new DIR taskforce could identify hundreds of incidents of labor trafficking.

(6) Pilot Restorative Justice Program for Trafficking Survivors and Responsible Persons

Despite the high crime rates which plague nearly every region of the state and evidence which demonstrates the significant correlation between poverty and crime, California has only responded to these crises by enhancing sentencing and attempting to combat crime through increased arrests. **If spending money on carceral approaches actually made our communities safer we should indeed be living in the safest place in the world given the large amount of money the state and each of its municipalities spends on law enforcement⁴³. However, all evidence points to the contrary and California must consider and adopt new approaches to deter, rehabilitate and address societal problems like human trafficking within our state.** This is especially pertinent in the wake of the Governor's pledge to close state prisons and overwhelming evidence which strongly demonstrates that lengthy prison sentences are costly, disproportionately impact black and brown communities, and that no evidence-based research shows such measures are effective in preventing individuals from falling prey to human trafficking. Restorative justice programs have proven to be more effective in both reducing the likelihood that responsible parties will reoffend and saving taxpayers money compared to the current justice system. Further, such programs have demonstrated success for survivors who report feeling harmed rather than healed from the current justice model and who overwhelmingly do not want to see the accountable party go to jail but rather, want assurance that they will not reoffend⁴⁴. A Restorative Justice pilot program in California will hold traffickers accountable while providing wrap around supportive services for survivors at nearly a third of what it costs to incarcerate someone in California.

In allocating the first funding for a restorative justice pilot program, California would be taking an important first step toward affording justice to survivors of human trafficking on their own terms. In doing so, California would also provide new pathways for increased community safety and save taxpayer money in the short, and long-term. We are therefore requesting **\$25 million in a one-time budget request** to pilot a restorative justice program for human trafficking survivors and accountable parties. Administered through a competitive grant process

⁴³ California's 482 cities and 58 counties spent more than \$20 billion from all revenue sources on city police and county sheriff's departments as recently as 2017-18, when the most recent statewide data was available. Cities spend nearly 3 times more on police than housing and community development. Counties spend more on their general revenue on sheriff's departments than on social services by a substantial margin. Beyond this, California and its cities and counties spend roughly \$50 billion annually on local law enforcement, the criminal legal system, and incarceration in state and county jails. This is 3X what California spends from its general fund on higher education. See Scott Graves and Chris Hoene, "How much does California Spend on Law Enforcement, the Criminal Legal System and Incarceration?" California Budget & Policy Center (June 2020).

⁴⁴ These findings are based on a 2018 Department of Justice Study which reported that 75% of sex and labor trafficking survivors did not want to see the responsible party go to jail, but rather wanted assurance that they would not harm anyone in the future. See J. Hussemann et al., *Bending Towards Justice: Perceptions of Justice among Human Trafficking Survivors*, OFFICE OF JUSTICE PROGRAMS' NATIONAL CRIMINAL JUSTICE REFERENCE SERVICE (April 2018).



through Cal OES, this money would be allocated to two to three counties over 5 years to serve approximately 360 individuals⁴⁵.

For a fuller explanation of the restorative justice proposal and cost breakdown, please see our [proposal here](#).

Feasibility & Costs of Piloting a Restorative Justice Program

This pilot program would (i) be in line with documented research regarding human trafficking survivors’ wants and needs, (ii) reduce costs to taxpayers in the short and long-term who bear the high cost of incarceration, and (iii) decrease the accountable parties’ likelihood of recidivism.

Today, it costs approximately \$106,131 to incarcerate one individual in California, a number that has increased by 117% since 2011.⁴⁶ By contrast, restorative justice pilot programs have demonstrated immense cost savings both in terms of immediate resources needed to facilitate the restorative justice process as well as long-term savings reflected in salient rates of lower recidivism.

The table below provides a breakdown of the proposed **\$5,000,000 annual costs** for a piloting human trafficking restorative justice program in California. This money will be used to develop capacity to provide comprehensive support to 90 survivors and rehabilitative support to 90 responsible parties over a 2 year period, or 360 individuals over a 5 year grant assuming one year of start-up costs.

Table A: Annual Cost of Servicing Survivors & Accountable Parties in a Restorative Justice Program

(A)	(B)	(C)	(D)	(E)
Annual Cost per Responsible Party	Annual Cost per Survivor	Annual Cost per 90 Responsible Parties	Annual Cost per 90 survivors	Annual cost per 90 survivors & 90 Responsible parties

⁴⁵ This number reflects providing 2 years of comprehensive services for 180 people annually and one year of start up time where no individuals would be served to ensure proper planning and implementation of a new program.

⁴⁶ California State Legislature, Legislative Analyst’s Office, *How much does it cost to incarcerate an inmate?*, LAO (updated Jan. 2022), https://lao.ca.gov/policyareas/cj/6_cj_inmatecost..



\$20,555 ⁴⁷	\$35,000 ⁴⁸ *	\$1,849,950	\$3,150,000	\$4,999,950⁴⁹
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Restorative Justice programs provide support to both survivors and accountable parties and these costs are reflected in columns A and B.

Column E reflects the total cost annually to provide services to 90 accountable parties and 90 impacted survivors. For nearly a third⁵⁰ of the cost of incarceration, restorative justice programs offer wrap-around support to survivors **AND** a facilitated process for the accountable party to better ensure the prevention of future harm. Overall crime survivors report receiving little or no support under the current criminal justice system. An August 2022 survey conducted with crime survivors nationally found that 87% of victims reported not receiving **any** financial or economic assistance to help recover.⁵¹ Human Trafficking service providers and survivor leaders have voiced for years that inadequate comprehensive services for survivors of human trafficking and time limitations on services are some of the greatest barriers to survivors recovery.⁵² Survivors who are often dependent on their trafficker to meet all their basic needs must have access to long-term wrap around services to address the socioeconomic factors which make them vulnerable to re-trafficking. Therefore, to promote community safety and protect survivors from future harm California should invest in a restorative justice framework that assures this support for survivors and provides support to ensure offenders are less likely to harm again.

⁴⁷ Based on our findings from other restorative justice programs, this number is well within the average range of costs for providing services to responsible parties. For example, Advance Peace, a Sacramento-based non-profit organization, organizes a program for individuals who are involved in gun violence to receive mentorship and life coaching. This is an 18-month program for 50 fellows who are individuals who have been arrested for crimes, or the responsible parties. The total cost of the program was \$1,384,836, or approximately \$18,464 per year per fellow.⁴⁷

⁴⁸ <https://www.castla.org/policy/2018-policy-priority-documents-archive/> Cost estimates are provided from a survey of 17 direct service providers for victims of human trafficking serving Los Angeles County, San Diego County, Riverside County, Fresno County, Ventura County, Orange County, Kern County, San Bernardino County, South Bay, San Francisco Bay Area, and the Sacramento Region. The cost of providing wrap-around services to one survivor per year is \$21,450.40. These estimated costs were provided in 2018 (pre-Covid-19 pandemic), and therefore, we have increased the cost per survivor based on the inflationary pressures COVID-19 has placed on our society.

⁴⁹ This number was extrapolated from data provided from the LA County District Attorney's Office detailing the number of human trafficking filings and arrests in LA County between 2020-2022 Our annual budget therefore is based on the cost of facilitating a restorative justice process for 90 accountable parties, and 90 impacted survivors.

⁵⁰ Statistic based on the \$18,000 its cost for a restorative justice fellowship program annually in Richmond, California. See COST BENEFIT ANALYSIS: OPERATION PEACEMAKER (2017) at pg 14. https://www.advancepeace.org/wp-content/uploads/2017/04/6-USC_ONS_CBA.pdf. Further the average cost of operating a Restorative Justice Program in California is about \$1,719,739 annually. This average cost was generated based on the reported expenses of California-based restorative justice non-profits, gathered from tax form 990s including; Restorative Justice Partners Inc., Restorative Justice Resource Center, Center for Restorative Justice Works, Restorative Justice for Oakland Youth, Communities United for Restorative Youth Justice.

⁵¹ 2022 Alliance for Safety and Justice, Crime Survivors Speak pg 5. Available at <https://allianceforsafetyandjustice.org/wp-content/uploads/documents/Crime%20Survivors%20Speak%20Report.pdf>

⁵² 2023 Trafficking in Persons Report: United States, <https://www.state.gov/reports/2023-trafficking-in-persons-report/united-states> Advocates noted funding for victim services remained inadequate to cover the high cost of providing services and the increased demand for services. Federally funded services and organizations' programs continued to focus on time-limited and immediate crisis intervention rather than long-term, holistic care.



Based on the above data, we believe implementing a restorative justice program would approximately yield a 5-to-1 cost benefit ratio.⁵³ This means for every dollar spent on a restorative justice program for survivors and those who have harmed them, the criminal justice system would save \$5. The savings offered by restorative justice programs in comparison to traditional criminal justice procedures are even greater when accounting for the long-term cost of incarceration. Under California law, those convicted of human trafficking can be sentenced to anywhere between 12-20 years in a California state prison⁵⁴. Assuming a trafficker receives a sentence somewhere in the middle of this range, or 16 years, incarcerating a single trafficker costs the state \$1,698,096.

Restorative justice initiatives expand the potential for real change in communities, the justice system, and the realization of justice for survivors of human trafficking.

Conclusion

In recent years, the California State Legislature has taken important first steps in combatting human trafficking by approving one-time and continuing funding requests. These funding allocations directed to service providers have greatly impacted and benefitted victims of human trafficking and the people of California. California now has the opportunity to evaluate its approach and fund novel and evidence-based measures for combatting human trafficking.

By prioritizing such budget requests, Governor Gavin Newsom and the legislature will continue to cement a powerful legacy of championing the needs of human trafficking survivors and make a dramatic difference in the fight to end human trafficking in our lifetime.

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⁵³ This is calculated by the average cost to incarcerate an individual in California (**\$106,131**) multiplied by 90 divided by the average cost of a defendant in the restorative justice program (**\$20,555**) multiplied by 90. *See also* Crime Prevention & Criminal Justice Module 8 Key Issues: 3. How Cost Effective is Restorative Justice? Available at <https://www.unodc.org/e4j/en/crime-prevention-criminal-justice/module-8/key-issues/3--how-cost-effective-is-restorative-justice.html> Based on a study conducted in 2008, researchers concluded restorative justice results in an 8 to 1 cost benefit ratio over the traditional criminal justice system.

⁵⁴ Cal. Pen. Code 236.1