

DEPARTMENT OF SOCIAL SERVICES—REVERSION

Item 5180-495 to the General Fund

Budget p. HW 167

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item reverts \$5,000 to the General Fund. This money was returned to the department by counties that received excess child support incentive payments for child support collection activities during 1981-82. Based on our review, we conclude that this reversion is appropriate.

Youth and Adult Correctional Agency
DEPARTMENT OF CORRECTIONS

Item 5240 from the General Fund and various funds

Budget p. YAC 1

Requested 1986-87	\$1,239,765,000
Estimated 1985-86.....	1,021,385,000
Actual 1984-85	786,260,000
Requested increase \$218,380,000 (+21.4 percent)	
Total recommended reduction	17,410,000
Recommendation pending	134,767,000

1986-87 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5240-001-001—Support	General	\$1,151,854,000
5240-001-036—Support	Special Account for Capital Outlay	24,155,000
5240-001-723—Support	New Prison Construction	3,632,000
	Bond Fund	
5240-001-890—Support	Federal	(208,000)
5240-001-917—Inmate Welfare Fund	Revolving	16,878,000
5240-101-001—Local Assistance	General	32,687,000
Reimbursements	—	10,559,000
Total		\$1,239,765,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. Funding for Inmate and Parolee Population Growth. 1015
Withhold recommendation, pending analysis of the population proposal to be contained in the May revision.

2. Contingency Plans for Overcrowding. Recommend department present the Legislature with a contingency housing plan at the time of the May revision. 1016
3. *Inmates Transferred to Youth Authority. Reduce Item 5240-001-001 by \$1,016,000.* Recommend deletion of 17 positions because the budget underestimates the number of inmates that will be transferred to the Youth Authority. 1017
4. *State-Owned Housing Policy. Reduce Item 5240-001-001 by \$298,000 and increase reimbursements by \$178,000.* Recommend reduction to reflect two changes in housing policy that are not properly reflected in the budget. 1018
5. Physical Fitness Incentive Pay. Withhold recommendation on \$1,501,000 from the General Fund for physical fitness pay, pending receipt of testing standards and department's estimate of the number of employees likely to pass the test. Further recommend that the department report during budget hearings on the future benefits and potential savings of physical fitness pay. 1019
6. *Pre-Employment Screening. Reduce Item 5240-001-001 by \$2,295,000.* Recommend that funding for background investigations and psychological evaluations be deleted because department has not presented evidence that existing processes are inadequate. 1020
7. *Correctional Officer Academy Expansion. Reduce Item 5240-001-001 by \$7,694,000.* Recommend deletion of funds for expansion of academy curriculum because department has not presented evidence that existing curriculum is inadequate. 1022
8. *Toussaint v. McCarthy.* Withhold recommendation on \$8,971,000 requested from the General Fund for 186 positions, pending receipt of department's staffing and expenditure proposal. 1023
9. *San Quentin Staffing Augmentation. Reduce Item 5240-001-001 by \$1,306,000.* Recommend deletion of 32 proposed positions because the department has not identified how the requested staff complement positions requested in other proposals. 1024
10. Monitoring Hospital Licensure Efforts. Recommend department provide Legislature with specified reports on the progress of hospital licensure efforts. 1026
11. *Dietary Kitchen Positions. Reduce Item 5240-001-001 by \$469,000.* Recommend deletion of 16 cook positions, because the positions will not be needed in the budget year. 1027
12. *Contracted Medical Services. Reduce Item 5240-001-001 by \$3,307,000.* Recommend reduction because budget does not account for implementation of new reimbursement fee system. 1028
13. Long-term Plan for AIDS. Recommend department report at budget hearings on its long-term plans to house and care for inmates who have AIDS. 1029
14. *Planning and Construction Positions. Reduce Item 5240-001-001 by \$139,000 and Item 5240-001-723 by \$637,000.* Recommend deletion of eight positions that are not justified on workload basis. 1030

DEPARTMENT OF CORRECTIONS—Continued

15. Preventive Maintenance. Recommend that the Legislature adopt language requiring the department to develop a preventive maintenance program for institutions. 1032
16. Special Repair Projects. Withhold recommendation on \$7,236,000 requested from the Special Account for Capital Outlay for special repair and deferred maintenance projects, pending explanation of which projects will be undertaken in the budget year. 1032
17. Budget Act Language for Legislative Oversight. Recommend that the Legislature restore language in the Budget Bill related to oversight of personnel activation and program management services for new prisons. 1033
18. *Technical Budgeting Issues. Reduce Item 5240-001-001 by \$427,000.* Recommend reduction of funds relating to various technical budgeting issues. 1034

GENERAL PROGRAM STATEMENT

The Department of Corrections (CDC) is responsible for the incarceration, training, education, and care of adult felons and nonfelon narcotic addicts. It also supervises and treats parolees released to the community as part of their prescribed terms. These responsibilities are administered through three programs.

Institutions Program. The department operates 14 institutions, including a medical facility and a treatment center for narcotic addicts under civil commitment. The department also operates 34 conservation camps in cooperation with the California Department of Forestry (29 camps) and Los Angeles County (5 camps).

Major programs conducted in the institutions include 32 prison industry programs and 11 agricultural enterprises which seek to reduce idleness and teach good work habits and job skills, vocational training in various occupations, academic instruction ranging from literacy to college courses, and group and individual counseling.

Community Corrections Program. The community correctional program includes parole supervision, operation of community correctional centers, outpatient psychiatric services, and narcotic testing. The program's goals are to provide public protection and services to parolees in order to assist them in successfully adjusting to the community.

Administration. The administration program provides coordination and support services to the institutional and parole operations.

The department's current-year staffing level is estimated to be 15,829 personnel-years.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes the expenditure of \$1.24 billion from various funding sources for support of the Department of Corrections in 1986-87, as shown in Table 1. This represents an increase of \$218 million, or 21 percent, above estimated current-year expenditures. The expenditures shown in Table 1 for the current year include a General Fund deficiency request of \$83 million. (This deficiency request is discussed later in the analysis.)

Table 1
Department of Corrections
Budget Summary
1984-85 through 1986-87
(dollars in thousands)

<i>Program</i>	<i>Actual 1984-85</i>	<i>Est. 1985-86</i>	<i>Prop. 1986-87</i>	<i>Percent Change from 1985-86</i>
Institutions	\$703,208	\$912,269	\$1,120,233	22.8%
Community Corrections.....	83,175	109,324	119,740	9.5
Administration (distributed).....	(57,343)	(84,617)	(106,649)	26.0
Totals, Expenditures	\$786,383	\$1,021,593	\$1,239,973	21.4%
Funding Source				
General Fund	\$766,603	\$983,503	\$1,184,541	20.4%
Special Account for Capital Outlay.....	11	11,664	24,155	107.1
New Prison Construction Bond Fund	—	2,932	3,632	23.9
Federal Trust Fund.....	123	208	208	—
Inmate Welfare Fund.....	11,580	13,037	16,878	29.5
Reimbursements.....	8,066	10,249	10,559	3.0
Personnel-Years by Program				
Institutions	11,236	13,820	15,638	13.2%
Community Corrections.....	917	1,146	1,236	7.9
Administration	674	863	1,004	16.4
Totals, Personnel-Years.....	12,827	15,829	17,878	12.9%

The budget proposes expenditures of \$1.18 billion from the General Fund for support of the department in 1986-87. This is an increase of \$201 million, or 20 percent, above estimated current-year expenditures (including the deficiency request).

In addition, the budget includes approximately \$24 million from the Special Account for Capital Outlay for general support, \$4 million from the New Prison Construction Bond Fund for support of the department's prison construction program, and \$17 million from the Inmate Welfare Fund for special inmate programs. The department expects to receive reimbursements totaling about \$10.6 million and federal funds in the amount of \$208,000.

The budget includes \$119.3 million (\$115.6 million from the General Fund) to provide additional staffing and related operating expenses and equipment to accommodate the projected increase in inmate and parolee populations during 1986-87. This amount consists of (1) \$106.6 million for housing additional inmates, (2) \$4.2 million for supervising additional parolees, and (3) \$8.5 million for additional administrative support. In addition, the budget includes \$32.7 million for 50 separate program changes. Table 2 shows workload adjustments and summarizes the budget changes proposed for 1986-87.

The budget proposal does not include any funds for merit salary adjustments in the budget year. The department estimates that it will have to absorb more than \$9 million for these costs.

DEPARTMENT OF CORRECTIONS—Continued

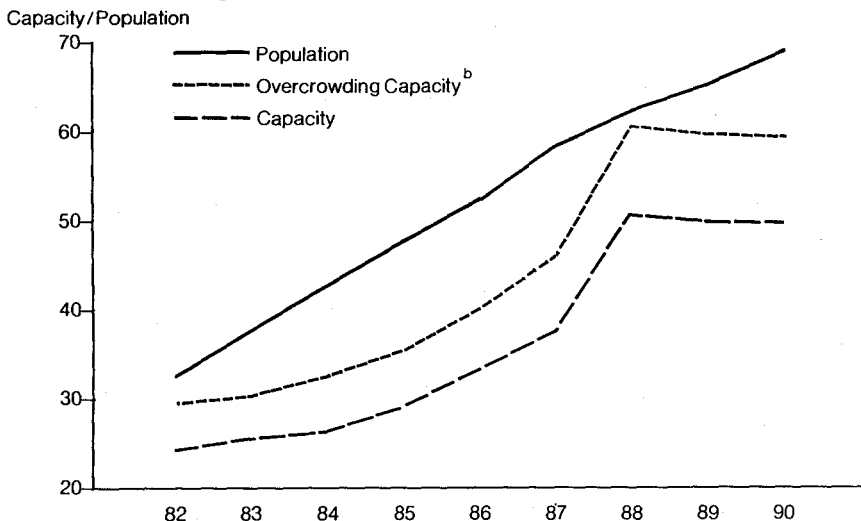
Table 2
Department of Corrections
Proposed 1986-87 Budget Changes
(dollars in millions)

	<i>General Fund</i>	<i>Inmate Welfare Fund</i>	<i>Special Account for Capital Outlay</i>	<i>New Prison Bond Fund</i>	<i>Federal Funds and Reimburse- ments</i>	<i>Total</i>
1985-86 Expenditures (Revised)	\$983.5	\$13.0	\$11.7	\$2.9	\$10.5	\$1,021.6
Proposed Changes:						
1. Workload Adjustments:						
A. Inmate Population	102.9	3.7	—	—	—	106.6
B. Parolee Population	4.2	—	—	—	—	4.2
C. Administration/Other	8.5	—	—	—	—	8.5
2. Cost Adjustments:						
A. Inflation adjustments	5.8	—	—	—	—	5.8
B. Salary adjustments	42.2	0.1	—	0.1	0.2	42.6
C. Benefit adjustments	10.5	—	—	—	0.1	10.6
D. Full-year cost adjustments	28.2	—	—	—	—	28.2
E. One-time costs	-9.6	—	-11.7	—	—	-21.3
F. Other	0.2	—	—	—	—	0.2
3. Program Adjustments:						
A. Funding shift	-24.2	—	24.2	—	—	—
B. San Quentin staffing	1.3	—	—	—	—	1.3
C. Background investigations	0.6	—	—	—	—	0.6
D. Training Academy increase	5.5	—	—	—	—	5.5
E. Lease purchase of Tehachapi	12.3	—	—	—	—	12.3
F. Supervisor's pre-watch	2.0	—	—	—	—	2.0
G. Data processing	1.7	—	—	—	—	1.7
H. <i>Toussaint v. McCarthy</i>	3.8	—	—	—	—	3.8
I. Advance training	0.7	—	—	—	—	0.7
J. Hospital Licensure	0.9	—	—	—	—	0.9
K. Miscellaneous security	1.5	—	—	—	—	1.5
L. Institution personnel management	0.6	—	—	—	—	0.6
M. Other program changes	1.2	—	—	0.6	—	1.8
1986-87 Expenditures (Proposed)	\$1,184.5	\$16.9	\$24.2	\$3.6	\$10.8	\$1,240.0
Change from 1985-86:						
Amount	\$201.0	\$3.9	\$12.5	\$0.7	\$0.3	\$218.4
Percent	20.4%	30.0%	106.8%	24.1%	2.9%	21.4%

Note: Details may not add to totals due to rounding.

Population Increases. The department projects that California's prison population will continue to increase during 1986-87, as shown in Table 3. Chart 1 shows the projected inmate population and institution bed capacity through 1990.

Chart 1
Department of Corrections
Comparison of Capacity and Inmate Population
1982 through 1990^a (in thousands)



^a Data as of June 30 of each year.

^b Overcrowding assumed at 20% of design capacity.

Table 3
Department of Corrections
Inmate Population

	Actual 6/30/85	Estimated 6/30/86	Projected 6/30/87	Percent Increase from 6/30/86 to 6/30/87
Male Felon	42,946	47,810	52,725	10.3%
Male nonfelon.....	1,481	1,675	1,880	12.2
Female Felon	2,333	2,690	3,065	13.9
Female nonfelon	315	350	390	11.4
Totals	47,075	52,525	58,060	10.5%

Inmate Housing Plans. In order to accommodate the projected increase of inmates during 1986-87, the department expects to open 8,574 beds at new institutions and camps and reduce overcrowding at existing institutions by 2,917 beds. Table 4 shows the department's plan for housing inmates in the budget year.

ANALYSIS AND RECOMMENDATIONS

We recommend approval of the following significant program changes that are not discussed elsewhere in this analysis:

- Lease payments of \$12,254,000 for the Southern Maximum Security Complex at Tehachapi, as authorized by Ch 932/85.
- \$653,000 to provide advanced training for sergeants, lieutenants, and captains.
- An increase in overtime funds of \$505,000 for intensive searches at Folsom and San Quentin State Prisons.
- An increase of \$1,661,000 for various security positions at institutions.

DEPARTMENT OF CORRECTIONS—Continued

Table 4
Department of Corrections
Inmate Housing Plan
1985-86 through 1986-87

Institution	County	1984-85	1985-86			1986-87		
		Budgeted Capacity ^a	New Beds	Over-Crowding	Budgeted Capacity ^a	New Beds	Over-Crowding	Budgeted Capacity ^a
New Institutions								
California Medical Facility-South (CMF-S)	Solano	1,560	1,204	706	3,470	—	-225	3,245
California State Prison, Amador	Amador	—	—	—	—	700	280	980
California State Prison, Kings	Kings	—	—	—	—	1,476	177	1,653
California State Prison, Sacramento	Sacramento	—	—	—	—	1,728	612	2,340
Northern California Women's Facility (NCWF)	San Joaquin	—	—	—	—	400	—	400
Richard J. Donovan Correctional Facility	San Diego	—	—	—	—	2,200	600	2,800
Southern Maximum Security Complex (SMSC)	Kern	—	1,000	400	1,400	500	200	2,100
Existing Institutions								
California Correctional Center (CCC)	Lassen	2,027	—	250	2,277	—	200	2,477
California Correctional Institution (CCI)	Kern	2,116	—	108	2,224	500	—	2,724
California Institution for Men (CIM)	San Bernardino	4,609	—	484	5,093	—	-388	4,705
California Institution for Women (CIW)	San Bernardino	1,735	—	120	1,855	50	—	1,905
California Medical Facility (CMF)	Solano	3,678	—	—	3,678	—	—	3,678
California Men's Colony (CMC)	San Luis Obispo	5,652	—	745	6,397	—	-1,458	4,939
California Rehabilitation Center (CRC)	Riverside	3,566	—	452	4,018	—	-252	3,766
California Training Facility (CTF)	Monterey	5,688	—	—	5,688	—	-1,483	4,205
Deuel Vocational Institute (DVI)	San Joaquin	2,891	—	203	3,094	—	-1,260	1,834
Folsom State Prison	Sacramento	3,380	—	-285	3,095	—	—	3,095
San Quentin State Prison	Marin	3,307	—	195	3,502	—	-120	3,382
Sierra Conservation Center (SCC)	Tuolumne	2,024	—	—	2,024	500	200	2,724
All Camps	various	2,296	240	62	2,598	520	—	3,118
Totals		44,529	2,444	3,440	50,413	8,574	-2,917	56,070

^a Capacity at end of fiscal year.

- Additional overtime funds of \$2,044,000 for supervisors' pre-watch activities at level III and IV institutions.
- An additional \$1,729,000 to fund 14 data processing positions for program maintenance and development of new automated management systems.

Status of Reports

In the *Supplemental Report of the 1985 Budget Act*, the Legislature directed the Department of Corrections to prepare three reports. At the time this analysis was written, two of the three required reports had been submitted to the Legislature.

Repair of Family Visiting Units. The Legislature appropriated \$200,000 in the current year for repairs, maintenance projects, and equipment purchases for family visiting units at CDC institutions. The supplemental report required the department to report by December 1, 1985, on the status of the repairs and purchases.

The report indicates that the funds have been allocated to institutions for a variety of needs, such as minor repairs to furniture, plumbing and electrical systems, purchases of basic appliances, and painting of the units. The department indicates that the requests for purchases are proceeding through the state purchasing process, and estimates that all equipment and supplies will be received, and repairs completed by March 1986.

Procurement Study. The supplemental report directed the department to respond to the recommendations contained in a study entitled "Management Study of the Administration of the Office of Procurement," which was prepared by Bechtel National Inc. The department's response addressed each of the changes which Bechtel recommended in the department's procurement procedures.

The CDC indicates that many of the recommendations concerned state-wide processes or procedures that are the responsibility of the Department of General Services. The department also suggests that several findings were based on procedures which have since been changed, or reflect a misunderstanding of the department's process. In sum, the department plans to implement few of the recommendations. We will continue to review the department's procurement operations and recommend changes where appropriate.

Medical Care Master Plan. The supplemental report directed the department to submit a progress report on its master plan for inmate health and medical services by December 1, 1985. The department submitted a *draft* report to the Legislature on January 30, 1986. The draft included an overview of the master plan and a brief discussion of a preliminary profile of inmate health care needs, the need for mental health services, the effect of hospital licensure on contracted medical services, and the AIDS population. Many of these subjects are discussed in greater detail in this analysis.

Department Incurs Record-Setting Deficiencies in the Current Year

The budget indicates that the Department of Corrections will incur deficiencies totaling \$83.3 million during the current year.

Given fluctuations in inmate and parolee population, it is not unusual for the department to request a deficiency appropriation. The size of the deficiencies requested this year, however, is more than 10 times greater than any amount which the department received in any previous year.

The 1985-86 deficiencies include the following:

- \$54.9 million for support related to population growth, special workload needs, and employee relocation assistance.

DEPARTMENT OF CORRECTIONS—Continued

- \$9.9 million for local assistance related to increased local detention costs.
- \$1.2 million to reimburse counties for costs related to the *People v. Stephen Bingham* and the *People v. Kevin Cooper* court cases.
- \$5.2 million for additional staff to address the concerns of the court monitor in the *Toussaint v. McCarthy* injunction.
- \$6.9 million for pay and staffing adjustments due to changes in the federal Fair Labor Standards Act.
- \$1.9 million for additional staffing for the planning and construction division.
- \$3.3 million for other workload adjustments.

Section 27 of the Budget Act of 1985 authorizes the Director of Finance to approve the creation of a deficiency or approve expenditures at a rate that would require a deficiency appropriation, provided he notifies the Legislature at least 30 days prior to when he approves the deficiency. Certain programs (Medi-Cal, AFDC, and SSI/SSP) and emergency expenditures are exempt from the 30-day advance notification requirement, although Section 27 requires that the administration notify the Legislature within 10 days after these types of deficiencies are approved.

Of the \$83.3 million in deficiencies approved for the CDC so far in 1985–86, the Director of Finance approved \$75 million under the emergency provision of Section 27, thereby affording the Legislature no opportunity to review the spending plans.

Our analysis indicates that a number of these deficiencies, in fact, did not involve “emergencies”. In some of these cases, it is not even clear why funding on a deficiency basis was justified at all, especially since some of these expenditures might not have been approved by the Legislature had it had an opportunity to review them.

Among the questionable “deficiencies” are the following:

Mobile Kitchens. The Director approved a \$922,000 deficiency for the purchase of mobile kitchens and related equipment for the three 500-bed additions (“quick-builds”) to the California Conservation Center, Sierra Conservation Center, and Southern Maximum Security Complex. The purchase was authorized even though the department specifically told the Legislature that existing support services at the three prisons would meet its food service needs when legislation to authorize the construction of the quick-builds was under consideration last August.

Planning and Construction Staffing. The Director approved a deficiency of \$1,950,000 for 38 additional staff positions in the department’s planning and construction division. Our review indicates that these staffing needs could have been anticipated, and therefore, should have been submitted for the Legislature’s review through the normal budget review process.

Background Investigations and Psychological Evaluations. The Director approved a \$1,327,000 deficiency for increased background investigations and psychological evaluations for new correctional officers. This “deficiency” is nothing more than a desired program change and is not of an emergency nature.

Security Not Related to Population Increases. The Director authorized a \$713,000 deficiency for additional security positions and overtime blankets that were not required because of population growth. This “deficiency” is yet another desired program change that should have received legislative review.

Blueprint Reproduction Services. The Director approved a \$270,000 deficiency to fund reproduction services for blueprints and drawings for new prison construction projects. Our analysis indicates that funds for these services were already budgeted in the capital outlay budget for each individual project.

Last year, the Legislature spent countless hours reviewing the department's proposed budget for 1985-86—a budget that requested an increase of \$117 million. Since then, the Director of Finance, with the stroke of a pen, has augmented that budget by \$83 million. It seems obvious that something is very wrong with the budget process as it applies to this department.

We acknowledge that most of the expenditures authorized on a deficiency basis were of the type that the Legislature had in mind when it granted to the Director of Finance the power to authorize deficiencies. Clearly, the administration must have the flexibility to respond to emergencies and provide for unanticipated needs, and the use of Section 27 in these cases is entirely appropriate.

More and more, however, Section 27 is being used to provide for the department's *wants*, rather than its needs—often under the guise of “an emergency.” This, of course, saves the department the hassle of developing budget change proposals and justifying them before the Legislature's fiscal committees. What the department saves, however, is more than offset by what the Legislature loses: the power to control the policies and expenditures of a major state department.

Institution and Parole Population Plans Uncertain

We withhold recommendation on that portion of the department's support budget related to the increased costs associated with inmate and parolee population growth, pending analysis of a revised budget proposal, population projections, and construction schedule.

The budget proposes an additional \$119,293,000 (\$115,560,000 from the General Fund and \$3,733,000 from the Inmate Welfare Fund) and 2,115 new positions to accommodate inmate population growth in institutions, supervise and provide services to additional parolees, and fund associated population-driven support service costs.

Our analysis indicates that there are major uncertainties regarding the rate at which the inmate and parolee populations will grow, as well as major uncertainties involving the department's plan to house inmates in new and existing facilities.

First, the inmate and parolee population projections used to develop the budget usually are changed significantly before the Legislature approves the Budget Bill. For example, the Governor's Budget for 1984-85 was based on projected inmate population of 47,810 by June 30, 1985; the projection was lowered to 45,395 prior to final approval of the budget. Similarly, the Governor's Budget for 1985-86 was based on a projected inmate population of 52,585 by June 30, 1986; the department lowered its projection to 48,960 in February 1985, and raised it to 49,845 in May. Consequently, it is likely that the population updates which are reflected in the May revision of the budget could be very different from what is reflected in the Governor's Budget.

Second, the population-related budget proposals are based on construction schedules that call for five new institutions and three new camps to open in 1986-87. The department's track-record in meeting construction schedules leaves these estimates open to question. If the department finds

DEPARTMENT OF CORRECTIONS—Continued

that it cannot complete construction of new facilities as scheduled, new housing plans involving more overcrowding will have to be developed to accommodate the inmate population. An updated construction and activation schedule will be available at the time the department submits its May revision.

Third, the department is completing a major revision of its inmate security classification system, which should be available prior to May. The classification system, which assigns a score to each inmate based on the number of points given for sentence length, personal characteristics, prior record and behavior, is the major factor used to determine where inmates will be placed within the prison system. The cost of housing inmates in different facilities varies considerably. Consequently, any change in the classification system could significantly change the department's inmate housing plans.

For these reasons, it is very likely that the department's budget request will be revised significantly prior to the May revision. Pending receipt and analysis of the revision, we withhold recommendation on \$117,059,000—the amount requested for management of prison population growth and parolee services, less amounts we recommend be deleted in other issues discussed below.

Department Should Develop Contingency Plans for Overcrowding

We recommend that the department present the Legislature with a contingency housing plan at the time of the May revision which specifies how it would (1) house a greater-than-anticipated inmate population, if necessary, and (2) accommodate the anticipated levels of inmate population if it experiences delays in the construction schedule for new institutions.

In recent years, the department has drastically modified its inmate housing plan *after* the plan has been approved by the Legislature and funded in the Budget Act. The inmate housing plan approved in the 1985 Budget Act, for example, was almost totally restructured because of a greater-than-anticipated inmate population and construction delays, which increased overcrowding at various existing institutions. Table 5 shows these changes, which will cause the department to incur a deficiency of approximately \$55 million in the current year.

Table 5
Department of Corrections
Changes in the Inmate Housing Plan
1985-86

	1985-86	
	Budget Act Plan	Revised Plan
Inmate Population	49,845	52,525
New Beds	2,980	2,444
Net Change in Overcrowding	-29	3,440

Source: Governor's Budget documents.

We recognize that changes in the inmate population and the construction schedule for new institutions cannot help but have an impact on the

department's housing plans. At the same time, however, we believe it is important for the Legislature to review and approve potential modifications to the inmate housing plan *before* they are implemented pursuant to the emergency provisions of Section 27 of the Budget Act. For it to do so, however, the department must present the Legislature with a contingency housing plan. No such plan is available at this time.

For these reasons, we recommend that the department develop a contingency housing plan, and submit it to the Legislature by April 15, so that it can be considered along with the May revision of the budget. The plan should indicate where the department will house inmates if the population is greater than projected or if there are delays in the construction of the new institutions. In order to make it most useful, the department should develop a plan which identifies the actions that will be taken if the inmate population exceeds the estimate by intervals of approximately 100 inmates (that is, the department's housing plans if there are 100 more inmates than anticipated, 200 more, 300 more, etc.).

This should not impose any additional burden on the department, since it must have such a plan for its own management purposes in case changes do occur.

Budget Underestimates the Number of Inmates Transferred to the Custody of the Youth Authority

We recommend that the Legislature delete \$1,016,000 requested from the General Fund and 17 positions, because the budget underestimates the number of inmates that will be transferred to the custody of the Youth Authority under provisions of Ch 701/83 (SB 821) (Item 5240-001-001).

Chapter 701, Statutes of 1983 (SB 821), permits criminal courts which sentence defendants under the age of 21 to the Department of Corrections to order them transferred to the Department of the Youth Authority for housing and programming. Consequently, the provisions of SB 821 reduce the inmate population of the state prisons and increase the population of Youth Authority institutions.

In developing its population projections for the budget year, the Department of Corrections assumed 1,200 inmates would be transferred to the Youth Authority under SB 821. The department indicates that this number was based on estimates provided by the Youth Authority. The Youth Authority's population management plan, however, indicates that it will house 1,260 SB 821 wards in the budget year, or 60 more than the Department of Corrections assumed in its population projections.

Since the Department of Corrections has relied on the Youth Authority to estimate and track the SB 821 population, our analysis indicates that the Department of Corrections has overestimated its inmate population by 60 inmates. Consequently, we recommend that support for these inmates be deleted. This translates to a reduction of \$1,016,000 and 17 positions.

The Youth Authority's budget request includes funding for the support of the 1,260 SB 821 wards. Consequently, no adjustment to the Youth Authority's budget is necessary.

Changes Resulting from Collective Bargaining

The collective bargaining agreements approved in 1985 resulted in a number of new or potential funding requirements in the current and budget years.

Department staff are included in almost all of the state's bargaining units, but the largest portion are members of Bargaining Unit 6, which

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represents the department's estimated 9,000 correctional officer and related positions. We believe that several items in that unit's agreement with the state are worth special note because of the potential impact they will have on the department's budget. These include:

- **Salary increases.** The agreement provided for a 6 percent salary increase effective July 1, 1985; another 4 percent increase, effective January 1, 1986; and 5 percent, effective July 1, 1986. In addition, the agreement called for an additional merit salary step for certain classifications in the budget year.
- **Physical fitness incentive pay.** Starting January 1, 1987, employees with five years or more in the bargaining unit who successfully complete a physical fitness test will receive an additional \$65 per month. If the employee fails the test the first time, he or she will be allowed 60 days to successfully pass the test on a second attempt. We discuss an issue related to physical fitness incentive pay below.
- **Housing stipend.** The agreement provided for an increase in the housing stipend from \$150 per month to \$175 per month for employees at San Quentin State Prison and the Correctional Training Facility (CTF) at Soledad. The agreement also expanded the number of classifications eligible to receive the stipend. We discuss an issue related to the housing stipend below.
- **Flight pay.** The agreement authorizes an increase from \$85 to \$125 per month for employees who are required to fly on noncommercial aircraft for an average of four hours per month. In addition, the department is required to pay these persons \$100 annually to cover the cost of flight insurance.
- **Uniform allowance.** The agreement provides for an increase in the employee uniform allowance. The allowance will increase from \$350 to \$400 in the current year and \$450 in the budget year, for most classifications.
- **Workload studies.** The department is required to conduct workload studies of correctional counselor and parole agent positions.
- **Protective vests.** The agreement committed the administration to support AB 1199, which requires the department to provide protective vests to officers, and to sign the measure if passed by the Legislature. Subsequently, the measure, Ch 922/85, appropriated \$750,000 to cover partial costs of the vests. The agreement required the state to provide an additional \$526,500 to purchase the vests in the current year. In addition, the agreement specifies that any additional funding for protective vests must be mutually agreed to by the state and the union representatives.

Changes in State-Owned Housing Policy Not Properly Budgeted

We recommend that the Legislature (1) reduce the amount budgeted from the General Fund by \$298,000 and (2) increase reimbursements by \$178,000, because two recent changes in the department's housing policy are not properly reflected in the budget (Item 5240-001-001).

Seven of the state's prisons have state-owned houses or apartments on the institution grounds. Department of Corrections' employees may rent the units for themselves and their families. Rent for these facilities is well below the unit's market value, and varies from \$95.50 to \$175.50 per month.

Rental Increases. As a result of collective bargaining negotiations, the Department of Personnel Administration delegated responsibility for negotiating rent increases to CDC. The Department of Corrections indicates that it recently finalized an agreement that provides for two rent increases: a 30 percent increase on February 1, 1986, and another 30 percent increase on July 1, 1986. Our analysis indicates that the department did not account for these increases when it developed its budget. We estimate that the rent increases will total \$178,000 in the budget year.

Housing Stipend Policy Changed. Officers who work at San Quentin State Prison and the California Training Facility (CTF) currently receive a \$175 per month housing stipend as a recruitment and retention incentive because of high housing costs in areas surrounding the prisons. Officers who live in state-owned housing are also receiving the housing stipend. The department indicates that recent negotiations have resulted in a change to the housing stipend policy. The department advises that beginning in March 1986, personnel who live in subsidized state-owned housing will no longer be eligible to receive the stipend. The budget, however, includes \$120,000 from the General Fund for housing stipends for these officers.

In order to properly reflect these two recent changes in the employee housing policy, we recommend that the Legislature reduce the General Fund appropriation by \$298,000 and increase reimbursements by \$178,000.

Physical Fitness Incentive Pay

We withhold recommendation on \$1,501,000 requested from the General Fund for physical fitness incentive pay to officers, pending development of fitness testing standards and receipt of a revised estimate of the number of employees likely to pass the test and qualify for the incentive pay.

We further recommend that the department report during budget hearings on the future benefits and potential savings of physical fitness pay.

The budget requests \$1,501,000 from the General Fund to implement a provision of the department's Unit 6 collective bargaining agreement relating to physical fitness incentive pay. The agreement requires the state, beginning January 1, 1987, to pay eligible peace officers with five years or more in the bargaining unit an additional \$65 per month for successfully completing a physical fitness test. Eligible classifications include correctional officers, parole agents, medical technical assistants and correctional counselors. In addition, the agreement stipulates that if an employee fails the test on the first attempt, he or she is allowed 60 days to pass it on a subsequent attempt.

Consequently, the state is now required to pay employees an additional \$780 per year merely because they are physically able to perform the jobs for which they were hired. Those who are not physically able to perform their jobs will not get the bonus. They will just get their regular salary!

No Test Standards. The department assumes that 90 percent of the employees eligible for the bonus will pass the fitness test and receive the additional pay. It is not clear what this assumption is based on since test standards have not been established. Without these standards, how can anyone estimate the pass/fail rates?

The Departments of Corrections and Personnel Administration advise that standards should be developed in February and March 1986. Accordingly, we withhold recommendation on the \$1,501,000 requested for physical fitness incentive pay, pending receipt of a revised cost estimate based on the standards.

DEPARTMENT OF CORRECTIONS—Continued

Will Physical Fitness Result in Savings? The Departments of Corrections and Personnel Administration indicate that physical fitness incentive pay is intended to keep employees in better physical condition, thereby reducing sick leave as well as disability and stress-related retirements. If this premise is accurate, physical fitness incentive pay should result in savings by reducing the costs of workers' compensation claims or disability retirement. In addition, savings may result from reductions in overtime and temporary help currently used to fill security posts for officers on sick leave. *The budget does not account for any of these potential savings.* Consequently, we recommend that the department report at the time of budget hearings on the potential savings and benefits resulting from the physical fitness pay program.

Pre-Employment Screening Proposals Unjustified

We recommend that the Legislature reduce by \$2,295,000 the amount budgeted from the General Fund for background investigations and psychological evaluations, because the department has not presented evidence that the current investigation and evaluation processes are inadequate (Item 5240-001-001).

The budget includes \$2,295,000 to allow the department to expand its pre-employment screening process. Specifically, the department requests \$1,729,000 to increase from 11 to 18 the number of hours it devotes to the background investigation of each applicant for peace officer positions. This would require the addition of 42 positions to the department's background investigation unit. In addition, the department plans to contract with a private entity to conduct a psychological evaluation of each peace officer candidate, at a total cost of \$566,000.

Both of these programs were implemented on an emergency basis in the current year, at a partial-year cost of \$1,327,000.

The department suggests that the staffing increase is needed because the existing 11-hour background investigation is inadequate and does not comply with background investigation standards established by the Commission on Peace Officer Standards and Training (POST). Further, the department indicates that it performs no formal psychological evaluation of its peace officers and suggests that as a result it is not in compliance with the law.

There are a number of problems with the proposals.

Need not established. The department has not provided any information to show that its existing pre-employment screening process fails to yield qualified candidates for its peace officer positions.

Specifically, the department has been unable to indicate what problems have arisen because of its current screening procedures, other than anecdotal stories about a few candidates. Further, the department has not demonstrated how the expansion of its pre-employment screening process will either improve the quality of peace officer candidates or solve some existing problem with its hiring practices.

POST Standards for Background Investigations Are Not Mandatory. The department has based much of its justification for the increase in background investigations on an audit of its investigation process conducted by POST in 1985. The POST audit was based on a review of nine randomly selected background investigation packages for newly-hired officers. Most findings centered on the department's failure to perform a

credit check, contact the candidate's references or neighbors, or review military records.

Our review, however, indicates that the POST standards for investigations are not mandatory. In Ch 424/84, the Legislature directed the department to complete a background investigation using as guidelines the standards defined by POST. In a letter to the chairmen of the Legislature's fiscal subcommittees that review the department's budget dated April 16, 1985, the *department* admitted that it was only directed to use the POST standards as guidelines. Although the department indicates it wishes to comply with the standards, it does not intend to perform all tasks outlined in the POST audit, such as reducing results of all investigations to writing and retaining the records.

Furthermore, the *department* advised the Legislature less than one year ago that the 11-hour investigation process was adequate to accomplish its goal of selecting well-qualified peace officer candidates. In the April 16 letter, the department acknowledged that although "it would be desirable to conduct an exhaustive background investigation which included many personal interviews with acquaintances, past employers, and the applicants, we have developed a staffing standard for the Background Investigation Unit that allows us to conduct an acceptable level of investigation."

Eight months after the department provided these assurances to the Legislature, the Director of Finance authorized a deficiency for the department so that it could increase the investigations to 18 hours. He did so on an *emergency* basis, thereby denying the Legislature any opportunity to review the proposal.

Psychological Evaluation Can Be Conducted Under Current Program. The department indicates that its request for the psychological evaluations is based on Government Code requirements that the emotional and mental condition of all peace officers be evaluated by a licensed psychiatrist or clinical psychologist prior to appointment as a peace officer. The department also indicates that its evaluation process should meet POST standards.

Our review of the law, however, revealed that a peace officer candidate's emotional and mental condition must be evaluated by a licensed psychologist or by a licensed physician. The department currently contracts with a medical firm that examines all peace officer candidates considered for appointment to the department. In our judgment, a psychological evaluation component could be incorporated into these existing medical examinations.

Our analysis also indicates that the POST standards for psychological evaluations are merely guidelines, and are *not* required.

Impact on Hiring Ability Unclear. Finally, we are concerned about the potential impact of the proposal on the department's ability to hire the large number of peace officer candidates that it will need in the budget year. The department estimates that it will need to hire almost 4,000 peace officers in 1986-87, due to the activation of five new prisons and the high turnover of correctional officers. Implementing a new psychological testing program and increasing by 64 percent the amount of time spent on each background investigation may unnecessarily delay the department's hiring efforts.

Because the department has not demonstrated that expansion of its pre-employment screening process will either improve the quality of peace officer candidates or solve problems that exist with its hiring prac-

DEPARTMENT OF CORRECTIONS—Continued

tices, we recommend that the Legislature deny funding for the proposal, for a General Fund savings of \$2,295,000 (Item 5240-001-001).

Correctional Officer Academy Curriculum Expansion Not Justified

We recommend that the Legislature delete the \$7,694,000 requested from the General Fund for expansion of the correctional officer academy curriculum, because the department has not presented evidence that the existing curriculum is inadequate (Item 5240-001-001).

The budget proposes \$7,694,000 to expand the curriculum for the basic correctional officer training academy from six to eight weeks. The department indicates the current six-week training course is inadequate, particularly in two areas—firearms range training and report writing.

The department trains all new peace officer personnel at the Richard A. McGee Training Center in Galt. The current program provides training in many subjects, including physical fitness, departmental policies and procedures, first aid, self defense, use of force, and firearms. Every officer cadet must graduate from the academy before he or she is assigned to an institution. The current six-week curriculum has been in place since 1983–84. Prior to that time, the department conducted a five-week academy.

The department has not presented any data to substantiate its claim that the length of the current academy curriculum is inadequate or is yielding unqualified correctional officers.

Need for Additional Firearms Training Not Demonstrated. The department proposes two additional days of firearms training and indicates that this increase is of primary importance in its budget proposal. However, it has not demonstrated that the current level of firearms training is not adequate.

As justification for the increase in firearms training, the department presented data showing that weapons were discharged at institutions a total of 305 times during 1985. In response to our questions, the department was unable to tell us, however, how often the officers discharging the weapons missed their targets or violated department weapons policies and procedures.

Even if the department is able to demonstrate a need for additional firearms training, we believe the training could be incorporated into ongoing training provided at the institutions. Current weapons training policies require that once a year all peace officers receive weapons training and successfully qualify in the use of weapons. The department indicates that all institutions comply with these requirements, and in addition require quarterly training and requalifications for officers assigned to armed posts. Furthermore, all institutions require that new officers requalify within 30 days of graduating from the academy. The department indicates that nine of the institutions provide further weapons training for officers in specialized assignments.

We believe that the department should also target any additional firearms training to the needs of particular institutions. Our review found that in 1985, 279 of the 305 firearms discharges occurred at only four institutions. The remaining 10 institutions reported seven discharges or less, and of these institutions seven reported less than two discharges each. Consequently, if the department can substantiate that a large percentage of the discharges were actually misfires, it should consider concentrating additional training efforts at the four institutions where more than 90 percent of the discharges occurred.

Inadequacies in Report Writing Curriculum Not Found. The department indicates that the report writing curriculum in the current program is inadequate and proposes an additional day of training in this area.

Officers are required to write reports on security incidents or rule violations. Here again, however, the department has submitted no evidence that the current report writing curriculum is inadequate. The department was able to point to only three specific incidents where additional training in report writing was desirable.

If the department can demonstrate that the level of skill in report writing is inadequate, we suggest that the department require better review of the reports by superior officers. The department is planning to institute a new program in the budget year to provide in-service training to sergeants, lieutenants, and captains. In our judgment, this training could provide sergeants, lieutenants, and captains with skills in reviewing reports. They, in turn, could provide more on-the-job training to those subordinate officers who write incomplete reports.

Other Training Needs Not Apparent. The department proposes to increase the level of training in other areas besides firearms and report writing, including communication skills, use of side-handle batons, the inmate classification process, mailroom procedures, and physical fitness. Although it may be desirable to expand the curriculum, the department has not presented evidence of the need to spend more than \$5 million in 1986-87 and major amounts annually thereafter for additional training in these areas.

Double-Bunking at the Training Academy? In addition to the lack of evidence demonstrating a need for two more weeks of additional training, we believe that this proposal could present logistical problems, which may ultimately impair the department's ability to fill the estimated 3,500 new correctional officer positions needed in the budget year.

It is unclear whether the McGee Center can actually accommodate the longer academy curriculum. The proposal would more than double the number of cadets living and being trained at the academy at any one time. Currently the academy handles 300 cadets in two overlapping six-week classes. This proposal would result in three overlapping eight-week classes with 675 cadets being trained at the center at any one time. The department's training program for sergeants, lieutenants, and captains will also require an additional 387 persons to receive training at the center during the year. The department has not presented a convincing explanation of how it will accommodate this level of overcrowding at the academy.

For the reasons outlined above, we recommend that the Legislature not approve the proposal, for a General Fund saving of \$7,694,000.

Nine Million Dollars Requested . . . What For?

We withhold recommendation on \$8,971,000 and 186 positions requested to comply with the Toussaint v. McCarthy court injunction, because the administration has not submitted a staffing plan or a proposal for the expenditure of these funds.

The department requests \$8,971,000 for 186 additional positions that it indicates are needed to comply with portions of the *Toussaint v. McCarthy* court decision. The budgeted amount includes \$6,630,000 for 131 new positions at San Quentin State Prison and \$2,341,000 for 55 new positions at Folsom State Prison. Under the emergency provisions of Section 27, Budget Act of 1985, the Department of Finance authorized the creation of budget deficiencies totaling \$5,155,000 to establish 191 positions for this purpose in the current year.

DEPARTMENT OF CORRECTIONS—Continued

The department indicates that this is the first staffing requested to comply with *Toussaint*—a 1984 court decision in which the U.S. District Court for northern California ordered the department to take immediate steps to correct specific deficiencies in the administrative segregation housing units at San Quentin and Folsom. The court issued a permanent injunction to which the department is subject and appointed a court monitor to oversee and report on compliance with the injunction.

The court monitor issued two reports in 1985 on the conditions of confinement and legal rights afforded the inmates in the housing units. The court subsequently accepted the monitor's report and ordered the department to comply, denying all of the department's objections. The department is appealing the entire case, and indicates that a decision on the appeal could come as early as this spring.

In the reports prepared for the court, the monitor issued specific findings in a variety of areas, many of which have staffing implications. The monitor did not, however, order the department to add specific numbers or types of staff. In fact, the second report indicated that the injunction does not necessarily require any increase in housing unit staffing. The department indicates that its request is based on its own interpretation of what is needed to bring Folsom and San Quentin into compliance.

No Staffing Plan Submitted to the Legislature. At the time this analysis was prepared, the administration had not submitted to the Legislature a final staffing plan to accompany this budget request. Frankly, it is inconceivable that the department could receive *emergency* authorization to create a \$5.2 million deficiency for 191 positions in the current year, request \$8,971,000 for 186 additional positions in the budget year, and still not know how the positions will be used!

We do not know on what basis the Director of Finance concluded that an emergency existed when asked to approve the current-year deficiency so these positions could be hired. We do know that, at this point, the Legislature has no way of telling if the positions are even needed by June 30, 1987.

Normally, we would recommend that the Legislature deny a budget request that is not accompanied by a staffing plan. However, in this case it is likely that some level of additional funding is required. Accordingly, we withhold recommendation on this request, pending receipt of a final staffing plan that clearly identifies how the plan will bring the department into compliance with *Toussaint*.

Need for Additional San Quentin Staffing Unknown

We recommend deletion of 32 positions for San Quentin State Prison, because the department has not identified how the positions complement positions requested in other proposals, for a General Fund savings of \$1,306,000 (Item 5240-001-001).

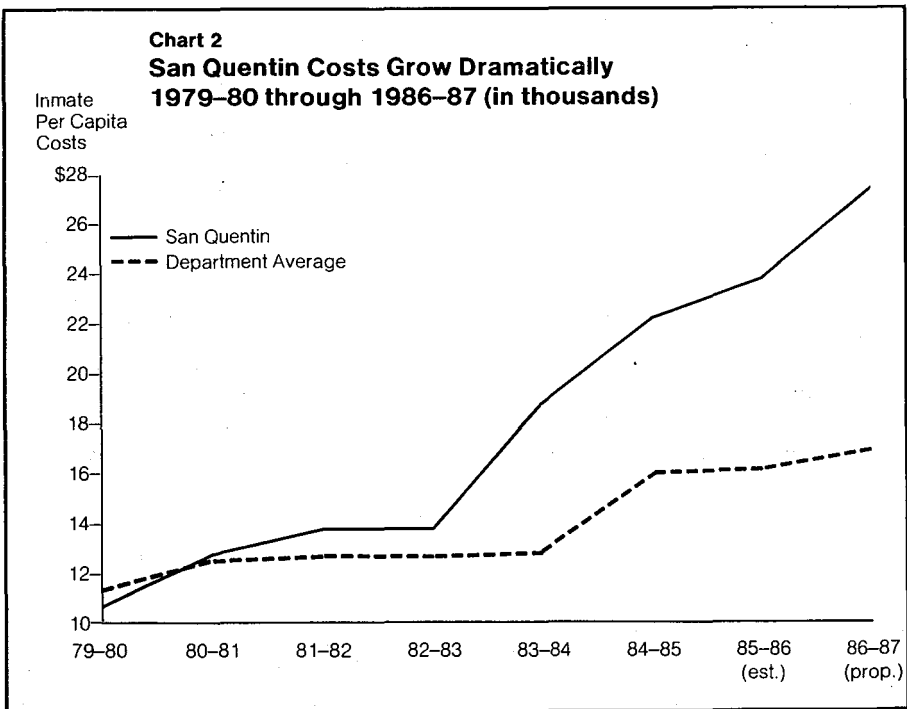
The budget includes \$1,306,000 for 32 additional positions at San Quentin State Prison. The positions include 28 security positions and four clerical positions.

The department indicates that the request is based on a report by a departmental advisory group which reviewed the institution's staffing needs. The Department of Finance granted the department authority to

establish all 32 positions in the current year, but it did not approve deficiency funding for them. Presumably the positions are being funded in the current year by redirecting funds budgeted for other purposes.

San Quentin, a maximum security prison, is the department's most staff-intensive and costly institution. The budget indicates that the inmate-to-staff ratio at San Quentin in the current year is 2.19-to-1. The California Medical Facility is the only other institution with a ratio below 3 to 1—primarily because of its staff-intensive hospital facilities. The ratio at San Quentin has been falling steadily, from 3.81-to-1 in 1979-80, to 3.17-to-1 in 1982-83, to 2.19-to-1 today.

In addition, the annual per capita costs of housing an inmate in San Quentin far exceeds the cost at any other prison. The budget indicates that the annual per capita cost at San Quentin will be \$27,503 in the budget year, compared to average per capita cost of \$16,165 for all other institutions. By comparison, the per capita cost at Folsom State Prison, the state's other maximum security prison, is projected to be \$17,977 in the budget year. Chart 2 shows the growth in San Quentin's per capita costs over the past seven years. As the chart shows, prior to 1980-81, San Quentin's per capita cost actually were *below* the departmental average.



Furthermore, as we discuss above, the budget includes 131 additional positions for San Quentin as part of the *Toussaint v. McCarthy* proposal. The budget also includes additional security funds for overtime blankets to permit intensive searches at San Quentin, and 21 additional positions related to an overcrowding plan.

DEPARTMENT OF CORRECTIONS—Continued

At the time this analysis was prepared, the department had not submitted its staffing plan for the *Toussaint* proposal. Consequently, we are unable to reconcile the need for these additional 28 security positions with the massive increase in positions in the *Toussaint* proposal and other budget change proposals. In addition, we are unable to determine why additional funds are needed in the budget year if the department has been able to add staff in the current year without additional money by redirecting existing funds on this request. Consequently, we recommend that the request for 32 additional positions be deleted, for a General Fund savings of \$1,306,000 (Item 5240-001-001).

Efforts to License Prison Hospitals Continue

We recommend that the Legislature adopt supplemental report language directing the department to provide the Legislature with specified reports on the progress of the hospital licensure efforts.

Previous Licensure Efforts. Although the Legislature appropriated \$1.7 million for 66 new positions requested by the department in 1981–82 to meet licensure standards for hospitals at the California Medical Facility (CMF), the California Institution for Men (CIM), and San Quentin State Prison, only San Quentin actually was licensed.

The department indicates that the 1981–82 request was inadequate to meet licensing standards, primarily because of inadequate planning by the department. According to the department, the request understated the number of staff needed because it failed to use appropriate staffing formulas. In addition, the department indicates that there was no assessment of capital outlay or equipment needs, inadequate policy and procedure development, and insufficient monitoring from the central office staff.

Current Licensure Efforts. In the 1985 Budget Act, the Legislature again provided funding to increase staffing, upgrade equipment, and improve procedures in order to meet Department of Health Services (DHS) licensing standards at three prison hospitals—CMF, CIM, and the California Men's Colony (CMC)—and to maintain licensure at the San Quentin State Prison hospital. Specifically, the Legislature appropriated \$4.5 million and authorized 256 positions in the current year with the understanding that additional funds would be requested in 1986–87 to construct and staff special diet kitchens at the facilities. (The department's request for the budget year is discussed in more detail below.)

To date, these licensure efforts have progressed at a slow pace. The department indicates that it has implemented the procedural changes required for licensure. However, only 34 of the 58 positions which were scheduled to be activated by December 31, 1985, have been filled. The department advises that background investigations and recruitment problems are the primary reasons that positions are vacant. Recent inspections by the State Fire Marshal have also uncovered new deficiencies in the physical plant of some hospitals. The department advises that it is working with the Fire Marshal to correct these problems. Unless the problems are corrected, however, the department indicates that licensing could be delayed or prevented altogether.

Reporting Requirements. In the *Supplemental Report of the 1985 Budget Act*, the Legislature directed the department to provide it with copies of the follow-up surveys of the four prison hospitals conducted by

the DHS in order to monitor the department's progress towards licensure. At the time this analysis was prepared, however, no surveys had been conducted. The department anticipates that surveys will be conducted later in the current year and throughout the budget year.

We believe it is imperative that the department provide periodic reports to the Legislature during the budget year so that the Legislature can monitor the department's progress toward achieving licensing. This is particularly important given both the magnitude of the expenditures proposed by the department for hospital licensing and the department's previous failure to achieve licensing with the funds appropriated by the Legislature expressly for that purpose. Accordingly, we recommend that the Legislature adopt the following supplemental report language:

"In order for the Legislature to monitor progress on the Department of Corrections' prison hospital licensing efforts, the department shall submit to the Legislature's fiscal committees and the Joint Legislative Budget Committee: (1) quarterly reports on progress towards licensure, and (2) copies of any follow-up licensing surveys of prison hospitals conducted by the Department of Health Services. The Department of Corrections shall also submit its plan of corrections in response to these surveys."

Need for Dietary Kitchen Positions in Budget Year Uncertain

We recommend a General Fund reduction of \$469,000 requested for 16 cook positions, because it is unlikely that the positions will be needed in the budget year (Item 5240-001-001).

The budget includes \$943,000 for 28.5 positions to complete the second phase of the department's hospital licensure plan. The request includes ten nursing and pharmacy positions for the San Quentin State Prison Hospital that were not part of the hospital licensing proposal presented to the Legislature last year. The department indicates that these positions were not included in the proposal at that time because a statement of deficiencies relative to licensure at San Quentin had not been completed by the Department of Health Services when the budget change proposal was finalized.

The request for the remaining 18 positions is consistent with the schedule which the department outlined when it requested funding for the first phase of the licensure project. Sixteen of these are cook positions needed to staff new dietary kitchens at the California Institution for Men (CIM) and the California Medical Facility (CMF). The department has requested capital outlay funds to construct the kitchens during the budget year.

Our analysis indicates the need for cook positions in the budget year is questionable. The department has budgeted the cook positions for the entire budget year, as if the kitchens are already completed and ready to use. The Office of State Architect (OSA), however, has not submitted a construction schedule showing when it anticipates completion of the new dietary kitchens. Given OSA's track record, it is highly unlikely that the kitchen projects will be completed in the budget year. This is because plans and drawings will have to be completed, contracts awarded, and construction and inspections completed—all within the budget year.

Until the kitchens are completed there should be no need for the additional cooks. Existing culinary staff can continue to provide food service to inmates receiving medical care until then, as they are doing in the current year. Consequently, we recommend the 16 cook positions be deleted, for a General Fund savings of \$469,000. We will revise this recom-

DEPARTMENT OF CORRECTIONS—Continued

mentation accordingly if the department presents a realistic construction schedule indicating that the kitchens will be completed and ready for service in the budget year.

Contracted Medical Services Overbudgeted

We recommend that the Legislature reduce the amount budgeted from the General Fund by \$3,307,000 because the budget does not reflect implementation of a cost-saving reimbursement fee system for contracted medical services (Item 5240-001-001).

The department requests \$12,971,000 to fund contracted medical services for inmates in 1986–87. These services include consulting contracts with physician specialists and surgeons, and contracts with hospitals and other specialized medical care facilities. The progress report on the department's inmate medical care master plan indicates that the amount of money needed for contracted medical services is likely to be reduced in future years, for two reasons.

First, upgrading and licensing the four prison hospitals will reduce the need for community hospital usage, since prison hospitals will have the ability to provide certain care that currently is provided in community facilities. There should be a corresponding reduction in costs for security coverage and transportation of inmates to local hospitals because more medical care will be provided at the institutions. Since upgrading and licensure of the hospitals is not complete, however, the department indicates that it cannot identify the amount of these savings at this time.

Second, the department has implemented a new reimbursement fee schedule which pays outside medical providers fees that are closely aligned to those paid by large health insurance groups. The department indicates that this rate generally is below the provider's usual and customary fee, and has lowered by approximately 12 percent the rate paid to outside providers of surgical care. The department also indicates that the reimbursement fee schedule will reduce the cost of services provided by outside contractors who work *within* CDC facilities. The CDC estimates that the new rates paid to these providers represent a 39 percent reduction from the rates paid previously.

The department deserves credit for its efforts to reduce the need for, and amounts paid for, contracted medical services. As a result of the department's efforts, the state should obtain major General Fund savings in the future—especially due to the changes in the medical provider fee schedule, which the department indicates have already been put in place.

The department indicates, however, that the savings it has identified under the revised fee schedule were not taken into account when it prepared its budget for contracted medical services in 1986–87. Consequently, we recommend that the Legislature reduce the General Fund appropriation by \$3,307,000 to account for the amount of savings that we estimate will result in the budget year from this new reimbursement fee system. In the event the department can provide a more detailed breakdown of its medical care expenditures, we will revise the dollar amount of this recommendation accordingly.

Department Should Develop Long-Term Plans for AIDS

We recommend that the department report to the Legislature at budget hearings on its long-term plans to house and care for the growing number of inmates who have AIDS.

A new medical care issue that could have a major impact on the department involves the disease known as Acquired Immune Deficiency Syndrome (AIDS). The number of inmates with AIDS has increased dramatically during the past year. At the time this analysis was prepared, the department had identified 28 cases of AIDS or an AIDS-related condition (ARC) in the prison system. In addition, seven inmates with AIDS have been paroled and eight others have died. By contrast, there were only three AIDS cases in the prison system during all of 1984.

The increase in the AIDS population poses serious social, medical, and logistical issues for the department.

Prison Population May Be at Greater Risk. Although there is a great deal of uncertainty surrounding AIDS, the prison population appears to be particularly vulnerable to the disease. AIDS is believed to be spread primarily through sharing of needles or sexual contact. The department estimates that approximately one-fourth of the male inmate population has a history of intravenous drug use. In addition, it is common practice in prisons for inmates to apply tattoos, often sharing needles. Although there is little data on the subject, it is also known that some inmates engage in high-risk sexual activity while in prison.

The department does not know how many inmates actually have AIDS or have been exposed to the AIDS virus. Although exposure to the virus does not necessarily mean that an inmate will contract AIDS, medical experts indicate that 10 percent to 15 percent of the persons exposed may eventually contract the disease. In addition, there is evidence that persons exposed to the virus may be able to spread the virus to others. Reports from the National Center for Disease Control show that the number of AIDS cases in the general population is doubling approximately every 10 months. We have no reason to believe this rate will be significantly lower for the prison population.

The department believes that all of the inmates diagnosed with AIDS thus far were exposed prior to entering prison, based primarily on the disease's gestation period.

Medical Care Costs Are High. Although there is no reliable data on the costs of caring for an inmate who has AIDS, national estimates of the cost of medical treatment for one AIDS patient outside of prison generally range from \$100,000 to \$140,000. These costs cover an average 18-month period between the diagnosis and death of the patient. If the costs of medical treatment for an inmate approach this level, the annual costs for treatment, support services, and security for an inmate with AIDS would be up to nine times greater than the annual per capita cost for an inmate without the disease (\$16,932 in 1986-87).

Housing Plans for Inmates With AIDS Uncertain. Special housing for AIDS patients is limited. The department currently is housing the male AIDS population at the California Medical Facility (CMF) at Vacaville, in a special housing area or in the prison hospital, depending on the inmate's condition. This special housing area, however, is designed for only 20 inmates. Female inmates with AIDS are housed at the California Institution for Women (CIW) at Frontera.

As the number of inmates with AIDS increases, it may affect the level of medical services the department provides to other inmates. CMF is the

DEPARTMENT OF CORRECTIONS—Continued

department's primary medical center. As more AIDS patients are housed at CMF, in either the special housing unit or the prison hospital, there will be fewer beds available for inmates with other medical needs. This may, in turn, lead to greater restrictions on the use of CMF hospital beds at the same time the department is upgrading its capability to provide medical services at CMF through its hospital licensing plan. Thus, the housing of AIDS patients has significant logistical implications.

Analyst's Recommendation. Because of the questions and uncertainties surrounding the department's long-term plans for dealing with the AIDS problem, and because of the serious medical, logistical, and fiscal issues involved, we recommend that the department report to the Legislature at budget hearings, on the following issues:

- Its long-term plans to house AIDS patients;
- The options it is considering to (1) identify those inmates who have AIDS and (2) prevent the spread of the disease in the institutions; and
- The impact of the growing AIDS population on the provision of medical care services to other inmates.

Planning and Construction Positions Not Justified

We recommend that the Legislature delete eight positions and various operating expenses and equipment requested for the planning and construction division because the positions are not justified on a workload basis, for a total savings of \$776,000 (Reduce Item 5240-001-001 by \$139,000 and Item 5240-001-723 by \$637,000).

As we noted in our discussion of the department's 1985-86 budget deficiencies, the department has administratively established 38 positions in the planning and construction division during the current year. The budget proposes to make the positions permanent and proposes two additional positions in the budget year. The 40 positions will cost \$2,541,000 (\$1,581,000 from the General Fund and \$960,000 from the New Prison Construction Bond Fund). The department indicates that these positions are needed primarily because of workload associated with new prison construction.

Our analysis indicates that eight positions are not justified on a workload basis.

Construction Operations Engineers. The department requests \$215,000 from bond funds for three construction operations engineers to coordinate tasks and settle disputes between contractors at the new prison construction sites. Our analysis indicates that this function is already carried out by representatives of the construction management firm, who are located at the construction sites. In addition, the Office of State Architect (OSA) will have many staff at the new prison sites to protect the state's interests. For example, OSA will have 16 inspectors at the new California State Prison, Sacramento County, during most of the budget year. Accordingly, we recommend that the Legislature delete the construction operations engineer positions.

Construction Project Assistants. The department proposes \$139,000 from the General Fund for three construction project assistants for the new prison construction program. The department indicates that principal duties of these positions will be to analyze data and prepare reports to assist the five new prison project directors.

Our analysis indicates that these positions are not justified. First, the contract for the construction management firm and the job descriptions of the project directors indicate that much of the work proposed for these positions should be performed by either the firm or by the project directors themselves. Second, although the department indicates that the workload of the project directors currently is very heavy, it should begin to decline in the budget year. This is because much of the project directors' work involves prison planning, and five of the 11 new prisons are scheduled to be completely activated, and three others will be partially activated, during the budget year.

In addition, the department considers the Los Angeles and Riverside prison projects to be inactive, and the Department of General Services currently is authorized to sell the land for the Adelanto project. Consequently, these three projects require very little staff time, and staff assigned to these projects could be redirected to assist others in the division.

Finally, the project director positions were established two years ago at a very high level with salaries of approximately \$53,000 in the budget year specifically because of the demands of the work. The workload has not changed since that time.

Accordingly, we recommend that the project assistant positions be deleted.

Minority and Women-Owned Business Enterprises. The department requests \$92,000 from bond funds for two additional positions to coordinate activities directed toward increasing participation of minority and women-owned business enterprises in the new prison construction program. Further, the department requests \$330,000 to contract with a private firm to perform outreach activities targeted at minority and women-owned businesses. The department indicates that these efforts are needed primarily because of Ch 933/85 (SB 253), which established goals for participation of minority and women-owned business enterprises in the construction program and required the department to report to the Legislature annually on the level of such participation.

The Legislature's policy of encouraging minority and women-owned business to participate in the new prison construction program is clear. Our analysis indicates, however, that the department should be able to do this without adding staff or contracting for outreach efforts. Specifically, Chapter 933 requires the department to consider the responsiveness of a bidder to minority and women-owned business goals when awarding contracts. In our judgment, these requirements can be satisfied by requiring each bid package to contain information on the level of participation of minority and women-owned enterprises, and awarding contracts based on the bidders' responses. No staffing augmentation should be necessary for this review; the reporting requirements can be absorbed by existing staff.

In addition, Chapter 933 specifies that the department utilize existing resources to encourage participation of minority and women-owned businesses. These resources include the Department of General Services' Office of Small and Minority Business, the Minority Business Development Agency, and the Small Business Administration. The department has presented no evidence that it has made adequate use of these resources.

Accordingly, we recommend that the requested positions and funding be deleted.

Summary. For the reasons outlined above, we recommend that the Legislature delete a total of eight positions and various operating expenses and equipment funds, for a savings of \$776,000 (\$139,000 from the General

DEPARTMENT OF CORRECTIONS—Continued

Fund and \$637,000 from the New Prison Construction Bond Fund).

Department Should Develop Preventive Maintenance Program

We recommend that the Legislature approve supplemental report language directing the department to develop a preventive maintenance program for institutions.

The budget proposes approximately \$18.8 million for recurring and deferred maintenance, as well as special repairs at various institutions. This amount includes maintenance and repair projects at the existing institutions as well as at the new institutions activated during the current year, with small amounts budgeted for the five new prisons proposed for activation in the budget year. When all 11 new institutions that are part of the department's \$1.2 billion new prison construction program are activated, the department will have 23 major facilities that will require regular maintenance and repairs. Consequently, the amounts needed to finance these projects will increase substantially.

Clearly, the department must protect the substantial public investment represented by the new and existing prison facilities. In our judgment, however, this should be accomplished within the context of a department-wide policy of preventive maintenance. The CDC currently has no such policy. As a result, plant operations managers typically repair facilities as emergencies occur, rather than anticipating the need for repairs and preventing emergencies through a systematic preventive maintenance program.

Preventive maintenance efforts conducted by other state agencies, such as the California State University, generally have improved the management of and budget accountability for maintenance and repair projects because the work is planned in advance. Preventive maintenance can lead to a better system of task management and a more efficient allocation of resources.

We recognize that if such a program is established, additional funding may be required. These costs could be anticipated and evaluated if a consistent and systematic preventive maintenance program is developed. On the other hand, such a program may result in a longer useful life for the facilities, especially the new prisons, and save money for the state in the long run.

Because of the potential advantages of a preventive maintenance program, we recommend that the Legislature adopt the following supplemental report language directing the department to develop such a program:

"The Department of Corrections shall develop a preventive maintenance program to schedule future repair and maintenance projects at each existing and new institution. The department shall report to the Legislature's fiscal committees and the Joint Legislative Budget Committee on development of the program by October 1, 1986.

Special Repair Projects Uncertain

We withhold recommendation on \$7,236,000 requested from the Special Account for Capital Outlay for special repairs and deferred maintenance, pending an explanation of what projects the department proposes to undertake in the budget year (Item 5240-001-036).

The department requests \$7,236,000 from the Special Account for Capi-

tal Outlay for special repairs and deferred maintenance projects at various institutions. Department staff indicate that the request is based on the amount budgeted in the current year, rather than on an expenditure plan for specific projects.

In order to document its request, the department submitted to the Legislature a list of 99 projects that it estimates will cost a total of \$10,115,000, or \$2,879,000 more than the budgeted amount. The department indicates that it will not decide which specific projects it plans to undertake until later in the current year.

We recognize the need to fund special repairs and deferred maintenance. At the same time, however, we believe that the department should specifically advise the Legislature how the \$7.2 million in special repair funds will be spent. Without this information, the Legislature is unable to exercise its responsibilities to oversee the expenditure of state funds. Consequently, we withhold recommendation on the request, pending receipt and review of a list showing the specific special repair and deferred maintenance projects the department plans to undertake in the budget year.

Restore Budget Bill Language Providing Legislative Oversight

We recommend that the Legislature include language in the Budget Bill to facilitate oversight for the activation of personnel and program management services for new institutions (Item 5240-001-001).

The 1984 and 1985 Budget Acts contained language to ensure that the Legislature is notified (1) before positions are filled at new institutions and (2) when the department amends its contract for program management services for new prison construction. This notification provides the Legislature with valuable information for the oversight of new prison construction and activation efforts. The 1986 Budget Bill, as introduced, does not contain either provision.

Personnel Activation Language. The 1984 and 1985 Budget Acts required the department to notify the Legislature 30 days before filling authorized positions at new institutions. All of the positions for the new institutions were budgeted for activation based on construction schedules for the new institutions. The language was intended to ensure that the department not fill the positions as initially planned if there were substantial delays or changes in the new prison construction schedules.

In our judgment, this language is particularly necessary in the budget year, since the department plans to open five new prisons and the budget proposes to fill almost 3,000 new positions at these facilities. Consequently, we recommend that the Legislature restore the language, modified to allow a waiver of the 30-day review period at the discretion of the Chairperson of the Joint Legislative Budget Committee. Specifically, we recommend that the Legislature adopt the following Budget Bill language, in Item 5240-001-001:

"No positions for the new prisons proposed for activation in 1986-87 may be filled prior to 30-days advance notification to the legislative fiscal committees and the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine."

Contract Amendment Language. The 1984 and 1985 Budget Acts also required the department to submit to the Legislature any contracts

DEPARTMENT OF CORRECTIONS—Continued

or amendments to existing contracts covering program management services for new prison construction. The language required the department to provide this information at least 30 days before entering into a new contract or amending a contract. This provision was designed to ensure legislative oversight of the capital and program management aspects of the new prison construction program.

We believe this language will continue to be needed in the budget year. There is one year remaining in the department's five-year contract with its capital expenditure management firm, Kitchell CEM. That contract has been amended nine times since 1982 resulting in total costs for capital program management services of \$21,890,998. Because of the magnitude of this contract and the importance of the construction management program, we recommend that the language be restored with a modification requiring the department to submit final contract proposals, rather than draft proposals. Specifically, we recommend that the Legislature adopt the following Budget Bill language (Item 5240-001-001):

"Notwithstanding any other provision of law, at least 30 days prior to entering into any contract, or amending any existing contract for program management services, the Director of the Department of Corrections shall submit the proposed final contract to the fiscal committees and the Joint Legislative Budget Committee, or prior to whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. Program management services include all services provided by the department's capital expenditure managers (Kitchell CEM or any successor) to assist in the planning and implementation of the department's new prison construction program."

Technical Budgeting Issues

We recommend that the Legislature reduce the General Fund appropriation by \$427,000 to eliminate overbudgeting, as follows:

- The department's request underestimates by \$67,000 the amount of salary savings that should be achieved due to the addition of various new positions in the budget year.
 - The budget requests \$360,000 for reproduction of drawings and blueprints for specific new prison construction projects. Funds for these services already are included in the budgets for individual construction projects. The Director of Finance authorized the expenditure of \$270,000 for this purpose on an emergency basis in January 1986, thus double-budgeting for this purpose in the current year as well.
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DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY

Item 5240-301 from the General
Fund, Special Account for
Capital Outlay and the 1984
Prison Construction Fund

Budget p. YAC 34

Requested 1986-87	\$11,221,000
Recommended approval	1,755,000
Recommended reduction	2,202,000
Recommendation pending	7,264,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS		Analysis page
1. New Prison Construction Program. Recommend that prior to budget hearings, the department provide (1) its plan for financing the construction of those new prisons for which adequate funds are not available, and (2) its plan for constructing additional prison facilities to meet what the department projects to be prison capacity needs in 1990.		1036
2. Withhold recommendation on the \$7,264,000 requested for 11 projects (see Table 3, page 1040, for a listing of these projects), pending receipt of additional information.		1039
3. <i>Brine Ponds—California Correctional Institution, Tehachapi. Reduce Item 5240-301-036(2) by \$90,000.</i> Recommend that funds for preliminary planning, working drawings and construction be reduced to reflect revised project scope.		1041
4. <i>Replace Cell Doors and Locks—Correctional Training Facility, Soledad. Reduce Item 5240-301-036(5) by \$53,000.</i> Recommend that working drawing funds for replacing cell doors and locks be deleted, because the request is premature.		1042
5. <i>Improve Water Supply—California Rehabilitation Center, Norco. Reduce Item 5240-301-036(16) by \$25,000.</i> Recommend that funds for a study be deleted because the study should be financed from the department's support budget.		1043
6. <i>Repair Flood Control Channel—California Institution for Men, Chino. Reduce Item 5240-301-036(8) by \$93,000.</i> Recommend that funds for preliminary planning and working drawings be deleted, because the department has not demonstrated that the requested improvements are needed.		1044
7. <i>Primary and Secondary Electrical Distribution Study—San Quentin. Reduce Item 5240-301-036(12) by \$55,000.</i> Recommend that funds for a study be deleted, because other projects currently under way should provide adequate service until the department completes a long-term plan for the use of San Quentin.		1044
8. <i>Primary Electrical Distribution System—California Rehabilitation Center, Norco. Reduce Item 5240-301-036(17) by \$40,000.</i> Recommend that funds for a study		1045

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

be deleted, because the need to replace existing systems has not been demonstrated.

9. *Mobilehome Site Development—San Quentin State Prison. Reduce Item 5240-301-036(13) by \$96,000.* 1046
Recommend that preliminary planning and working drawing funds be deleted, because the state has already provided for employee housing costs through the state's collective bargaining process.
10. *Minor Capital Outlay—Statewide. Reduce Item 5240-301-036(15) by \$1,750,000.* 1047
Recommend funds for 12 minor capital outlay projects be deleted and funds requested for five projects be reduced.

ANALYSIS AND RECOMMENDATIONS

The budget includes \$11,221,000 for the Department of Corrections' (CDC) Capital Outlay program in 1986-87. This amount consists of \$9,384,000 from the General Fund, Special Account for Capital Outlay, to fund various improvements at existing institutions (Item 5240-301-036) and \$1,837,000 from the New Prison Construction Bond Fund (1984 Bond Act) to finance telecommunications systems for three new prison projects (Item 5240-301-724).

New Prison Construction Program

We recommend that, prior to budget hearings, the department provide the Legislature with (1) its plan for financing construction of new prisons authorized for San Bernardino County, Los Angeles County, Riverside County, and Kings County (Corcoran), and (2) its plan for constructing the additional facilities needed to accommodate the 9,000 inmates projected for 1990 in excess of the state's prison capacity.

The Department of Corrections continues to experience a significant increase in the number of prison inmates. As of January 1, 1986, the prison population totaled 48,512, while the design capacity of existing institutions was 29,703. Thus, the prisons today are overcrowded by 18,809 inmates—63 percent of the system's design capacity.

The Legislature to date has authorized construction of nine additional new prison complexes and three 500-bed housing unit additions to existing prisons. Completion of these projects, which the budget expects to occur by the end of fiscal year 1987-88, will add about 20,700 permanent beds to the prison system, bringing design capacity to 50,400. By then, however, the prison population is expected to be 62,095. It is expected to reach 68,000 by 1990.

Thus, given current population overcrowding projections, the need for prison beds will exist even after the new beds approved to date are on line.

No Funding Available for Four Authorized Projects. The department estimates the cost of planning and constructing the new prisons which the Legislature has authorized to date at \$1.6 billion. Funds from two bond issues (1981 Bond Act and 1984 Bond Act) will provide \$795 million to finance these costs. In addition, approximately \$89 million has been appropriated from the General Fund and the Special Account for Capital Outlay for new prisons and up to \$300 million of the remaining costs may be financed through lease-purchase agreements.

Thus, approximately \$1.2 billion in funding and alternate financing authority has been provided for the program. This is \$400 million less than what the department says is needed to complete those prisons which have already been authorized. According to the budget, the department will

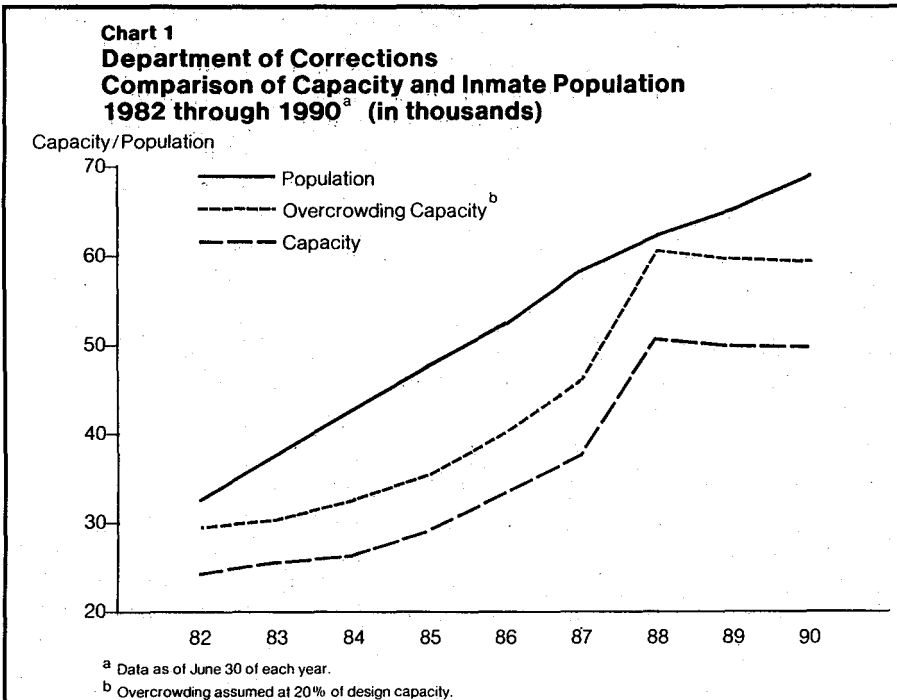
not start construction on four new prisons—those in San Bernardino County, Los Angeles County, Riverside County and Kings County (Corcoran)—until additional funds and/or financing authority are made available. The budget, however, contains no appropriation request or specific proposal for financing these prisons.

The department should provide its plan for securing the funds needed to complete these projects.

More New Prisons Are Needed to House Expected Population. Even with the addition of over 20,000 beds to the existing prison system, population projections issued recently by the Department of Corrections indicate that there will not be a sufficient number of beds available to accommodate the projected population. Chart 1 shows the projected population, the design capacity of existing and authorized new prisons and the "overcrowding capacity" of the system projected to 1990. (Overcrowding capacity has been defined by the department as the acceptable level to which the existing system can be overcrowded and maintain adequate security. The department has set the overcrowding capacity at an average of 20 percent of the systemwide design capacity.)

Chart 1 reveals that the projected population will continue to out pace available capacity—even with acceptable overcrowding—leaving a shortage of over 9,000 beds in 1990. *It would take 15 additional 500-bed prisons (housing 600 inmates at overcrowding capacity) costing about \$600 million to eliminate this shortfall.*

The budget contains no plan for addressing the bed shortage that the department anticipates.



DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

What Kind of Facilities are Needed to Meet the Projected Prison Population? The CDC classifies its inmates using a four-step scale that ranges from minimum security—Level I inmates, to maximum security—Level IV inmates. In addition, the department maintains reception center beds where incoming inmates receive orientation and are evaluated for classification purposes. The department also maintains medical/psychiatric treatment facilities.

Table 1 shows (1) the anticipated design capacity and overcrowding capacity of the prison system in 1990, based on the security level of existing and authorized new prisons and (2) the projected number of beds needed for inmates in each security category. Table 1 reveals that:

- Level I capacity will be approximately 4,000 beds short of projected needs.
- Level II capacity will be approximately 500 beds short—within 5 percent—of projected needs.
- Level III capacity will *exceed* projected needs by over 5,000 beds.
- Level IV capacity will fall 3,500 beds short of need.
- Reception center capacity will be approximately 3,000 beds short of projected needs.
- Medical/psychiatric treatment facility capacity will be approximately 1,500 beds short of projected needs.
- Female bed capacity will be 1,600 beds short of projected needs. (The number of beds for females in reception centers and medical/psychiatric treatment facilities is unknown.)

Table 1
Department of Corrections
Planned Capacity^a vs. Bed Needs, by Category
June 30, 1990

Category	Design Capacity	Overcrowding Capacity	Bed Needs	Surplus/ (Deficit)
Males:				
Level I	9,368	11,242	15,235	(3,993)
Level II	8,604	10,325	10,855	(530)
Level III	17,500	21,000	15,985	5,015
Level IV	8,780	10,536	13,975	(3,439)
Reception	1,730	2,076	5,000	(2,924)
Medical/Psychiatric	1,469	1,763	3,300	(1,537)
Subtotals	47,451	56,941	64,350	(7,409)
Females	1,976	2,371	4,020	(1,649)
Totals	49,427	59,312	68,370	(9,058)

^a Planned Capacity includes existing capacity and all new authorized prisons.

It is clear from the data contained in Table 1 that neither the number of beds nor the categories in which these beds will fall correspond to system needs, as projected by the department. We recommend that, prior to budget hearings, the CDC present to the Legislature its plan for provid-

ing a sufficient number of beds in each category to meet the anticipated population needs.

PROJECTS REQUESTED IN THE 1986-87 BUDGET

For discussion purposes, we have divided our analysis of the capital outlay projects included in the budget for the CDC into five categories. Table 2 summarizes the department's request, and the proposed funding source for each category.

Table 2
Department of Corrections
1986-87 Capital Outlay Program Summary
(dollars in thousands)

<i>Item/Fund Project Category</i>	<i>Number of Major Projects</i>	<i>Budget Bill Amount</i>	<i>Est. Future Cost^a</i>
Item 5240-301-036 (SAFCO)			
A. Health, Safety and Security Projects.....	8	\$3,647	\$2,655
B. Utility Projects	7	3,186	6,712
C. Projects to Expand Support Facilities (employee housing)	1	96	1,412
D. Minor Projects (\$200,000 or less per project)	—	2,455	—
Subtotals.....	16	\$9,384	\$10,779
Item 5240-301-724 (1984 Prison Bond Fund)			
E. New Prisons, Telecommunications System	3	1,837	—
Totals.....	19	\$11,221	\$10,779

^a Department estimate.

Project Recommended for Approval

Based on our review of the department's 1986-87 request, we recommend the Legislature approve one project in the requested amount of \$687,000.

The 1984 Budget Act appropriated \$47,000 for preliminary plans and working drawings for improvements to the domestic water supply at the Deuel Vocational Institution, Tracy. Preliminary plans for this project have been completed and working drawings are underway. The amount requested in the budget for the construction portion of the project is consistent with the scope and cost approved by the Legislature, and we therefore recommend the Legislature approve \$687,000 requested in Item 5240-301-146 (6).

Projects for Which Recommendation is Withheld

We withhold recommendation on \$7,264,000 requested for 11 projects, pending receipt of (1) detailed project scope and cost information for eight new projects, and (2) preliminary plans and cost estimates for three previously approved projects.

The budget includes \$7,264,000 for 11 projects on which we withhold recommendation. The projects, the amounts requested and our reasons for withholding recommendation on each one, are summarized in Table 3. In most cases, we have withheld recommendation pending receipt of (1) additional detailed project information from the CDC and (2) detailed

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

project plans and cost estimates/preliminary planning to be prepared by the Office of State Architect (OSA).

Table 3

**Department of Corrections
1986-87 Capital Outlay Program
Projects for Which Recommendation is Withheld
(dollars in thousands)**

<i>Item/ Category/ Subitem</i>	<i>Project Title</i>	<i>Location</i>	<i>Phase^a</i>	<i>Budget Bill Amount</i>	<i>Est. Future Cost^b</i>	<i>Reasons for Withholding Recommendation</i>
<i>Item 5240-301-036 (SAFCO)</i>						
<i>A. Health Safety and Security</i>						
(7) Hospital Licensure....	Chino		pwc	346	—	Pending receipt of (1) detailed description of work needed to eliminate licensing deficiencies, and (2) an OSA budget package and cost estimate for each project.
(9) Hospital Licensure....	Vacaville		pwc	1,389	—	
(10) Hospital Licensure....	San Luis Obispo		pwc	575	—	
(11) Hospital Licensure....	San Quentin		pwc	575	—	
(14) Second Perimeter Fence	Frontera		pwc	482	—	Pending receipt of an OSA budget package.
<i>B. Utility Projects</i>						
(1) Sewage Treatment Plant Expansion	Susanville		c	1,022	—	Pending receipt of preliminary plans from the OSA.
(3) Replace Primary Elec- trical Distribution Sys- tem	Soledad		wc	776	—	Pending receipt of preliminary plans from the OSA.
(4) Replace Secondary Electrical Distribution System.....	Soledad		wc	513	—	Pending receipt of preliminary plans from OSA.
<i>Item 5240-301-724 (1984 Bond Fund)</i>						
<i>E. New Prison Projects</i>						
(1) Telecommunications System.....	San Diego		pwc	807	—	Pending receipt of project cost estimate and preliminary plans for additional work proposed for each project.
(2) Telecommunications System.....	Avenal		pwc	784	—	
(3) Telecommunications System.....	San Joaquin		pwc	246	—	
Totals.....				\$7,264	—	

^a Phase symbols indicate: p = preliminary planning; w = working drawings; and c = construction.

^b Department estimate.

Recommended Project Changes/Deletions**A. HEALTH, SAFETY AND SECURITY PROJECTS**

The budget includes three projects for improvements related to health, safety or security that we recommend be reduced or deleted. The projects, and our recommendations regarding them are summarized in Table 4.

Table 4
Department of Corrections
1986-87 Capital Outlay Program
Projects to meet Health, Safety and Security Requirements
Item 5240-301-036
(dollars in thousands)

Sub Item	Project Title	Location	Phase ^a	Budget Bill Amount	Analyst's Recom- mendation	Estimated Future Cost ^b
(2)	Brine Ponds	Tehachapi	pwc	\$401	\$311	—
(5)	Replace Cell Doors and Locks	Soledad	pw	105	52	\$2,665
(16)	Improve Water Supply	Norco	s	25	—	n/a
Totals				\$531	\$363	\$2,665

^a Phase symbols indicate: s = study; p = preliminary planning; w = working drawings; and c = construction.

^b Department estimate.

Brine Ponds—Tehachapi

We recommend that the Legislature reduce Item 5240-301-036 (2), preliminary planning, working drawing and construction funds to install new brine ponds at the California Correctional Institution, Tehachapi, by \$90,000 to eliminate funds for work that is not necessary.

The budgets proposes \$401,000 for preliminary planning, working drawings and construction to install new brine ponds at the California Correctional Institution at Tehachapi. The brine, which is classified as "Class 2" waste and cannot be discharged into a sewer system, comes from the water softener serving the laundry and boiler plant. Currently, the brine is stored in evaporation ponds that were constructed to prevent leaching of the waste material into the groundwater system. Over time, evaporation reduces the volume of brine.

The existing 9,000-square foot ponds are too small to handle the amount of brine discharged, and as a result, the ponds frequently overflow. Consequently, the Regional Water Quality Control Board has directed the CDC to eliminate the overflow that is threatening the quality the groundwater. In response, the CDC completed a study of potential solutions to the problem. The study recommends replacement of the existing ponds with two new ponds totaling 32,350 square feet. This recommendation assumes that the existing ponds will be abandoned and the new ponds will be of sufficient size to handle (1) the amount of brine expected to be discharged and (2) rainfall that would accumulate in the ponds under severe weather conditions based on a 100-year storm.

Our analysis indicates that the proposed new ponds are over-designed since there is no reason why the existing ponds cannot be used when weather conditions are severe. The new ponds should be used to handle output under normal weather conditions. If the existing ponds are re-

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

tained for back-up purposes, the size of the new ponds could be reduced by 25 percent—from 32,350 square feet to 24,600 square feet. This would hold costs to \$311,000.

Accordingly, we recommend that the Legislature (1) modify the project scope to reduce the size of the new ponds and (2) reduce Item 5240-301-036(2) by \$90,000.

Replace Cell Doors and Locks, Soledad

We recommend that the Legislature reduce Item 5240-301-036(5), preliminary plans and working drawings to replace cell doors and locks at the Correctional Training Facility, Soledad, by \$53,000, because the request for working drawing funds is premature.

The budget includes \$105,000 for preliminary plans and working drawings to replace cell doors and locks at the Correctional Training Facility (CTF), Soledad. The project would replace 1,200 cell doors and locks in the four housing units at the North Facility. The CDC indicates that because of metal fatigue, some doors have been pried open or have come loose, resulting in security problems and an inordinate amount of maintenance expense. Based on estimates prepared by the Office of State Architect, the total cost of the project is \$2,770,000.

To replace the cell doors and locks in the housing units, the cells will have to be vacated while the necessary work is undertaken. As of January 5, 1986, there were 2,459 inmates housed in the 1,200 cells at the North Facility. Thus, the number of inmates represents 205 percent of the prison's design capacity. In order for the CDC to take some of these cells out of service, other means of housing these inmates will have to be identified. According to the CDC, replacement housing cannot be provided until the end of 1987–88, when new prisons are expected to be completed.

Systemwide overcrowding also is expected to continue because of other projects. The CDC must deactivate 250 beds at San Quentin during 1986–87 in order to implement court ordered alterations. Another project at Tracy will require deactivation of several hundred beds beginning in September 1986.

Given the lack of replacement beds, construction of the CTF project will not begin for about two years. Accordingly, funds for only preliminary plans are needed at this time. If new prison construction plans proceed on schedule, and if population projections indicate that a part of this prison can be vacated to accomplish the necessary work, the Legislature could consider appropriating working drawing and construction funds in the 1987 Budget Act.

Moreover, funding for preliminary planning only would provide the CDC with time to implement "value engineering" techniques for this project. The CDC needs to develop its plans carefully, particularly in view of design problems encountered on a similar project at Deuel Vocational Institute (DVI), Tracy. This project was funded for construction in the 1982 Budget Act. Work on the cell door replacement, however, has not begun yet, even though in 1982, the CDC advised the Legislature that for security reasons the project was a high priority.

Finally, we note that the project, as currently designed, would retain swinging doors on the existing cells. In the past, the CDC has indicated that swinging doors are a hazard to staff, and requested replacement of the swinging doors at Tracy with sliding doors. If CTF North is to be used as a Level III institution in the future, the CDC needs to confirm that new swinging doors will *not* pose a hazard. This matter also should be evaluated during value engineering on the project.

In sum, the request for working drawing funds is premature given (1) the schedule for providing replacement housing space and (2) the need to apply value engineering techniques to the project. We therefore recommend that Item 5240-301-036(5) be reduced by \$53,000, which will leave \$52,000 available for preliminary plans (\$42,000) and value engineering (\$10,000).

Improve Water Supply—Norco

We recommend that the Legislature delete Item 5240-301-036(16), funds to study means of improving the water supply at the California Rehabilitation Center, Norco, because the study should be funded from funds available in the department's support budget.

The budget includes \$25,000 to conduct a study to improve the domestic water supply at the California Rehabilitation Center (CRC), Norco. The quality of the water serving this institution has been of concern because the level of radiological minerals in the water is high. The \$25,000 request would fund a study to identify at least four viable alternatives for improving the water supply.

Information provided by the CDC in support of this request includes a January 1985 letter citing a radiological analyses of CRC's water prepared by the Department of Health Services (DHS). The analyses show that the water contains levels of radiological constituents within acceptable limits (as listed in the California Safe Drinking Water Act) and present no health hazard. The DHS recommended, however, that CDC hire a consultant to review and evaluate the institution's water distribution system to determine if reasonable modifications could be made to permit a blending of supplies, in order to minimize further the radiological constituents.

Based on the DHS recommendations, the CDC needs to undertake a study to evaluate the *operational* procedures used by the institution in providing domestic water. Such a study should be funded from the CDC's support budget which includes funds (\$53 million) for external consulting and professional services. Consequently, there is no need to budget funds for this purpose in the capital outlay portion of the budget, and we recommend deletion of Item 5240-301-036(16) for a savings of \$25,000.

B. UTILITY PROJECTS

Table 5
Department of Corrections
1986-87 Capital Outlay Program
Utility Projects
Item 5240-301-036
(dollars in thousands)

Sub Item	Project Title	Location	Phase ^a	Budget Bill Amount	Analyst's Recom- mendation	Estimated Future Cost ^b
(8)	Repair Flood Control Channel	Chino	pw	\$93	—	\$1,407
(12)	Primary & Secondary Electrical Study	San Quentin	s	55	—	3,945
(17)	Primary Electrical Distribution System	Norco	s	40	—	1,360
	Totals			\$188	—	\$6,712

^a Phase symbols indicate: s = study; p = preliminary planning; and w = working drawings.

^b Department estimate.

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

The projects requested by the Department of Corrections to improve utility systems at existing prisons which we recommend be changed are listed in Table 5.

Repair Flood Control Channel—Chino

We recommend that the Legislature delete Item 5240-301-036(8), preliminary plans and working drawings to repair the flood control channel at the California Institution for Men, Chino, because the CDC has not indicated why this channel needs to be improved, for a savings of \$93,000 (future savings \$1,407,000).

The budget includes \$93,000 for preliminary plans and working drawings to repair a flood control channel at the California Institution for Men, Chino. The 1.8 mile long channel is a connecting link in the San Bernardino Flood Control District's "Cyprus Channel" and runs through state-owned property. Approximately two-thirds of the channel is paved.

The proposed project would repair damage to the paved portion, and pave the balance of the channel. The department estimates the total project cost for the improvements to be \$1.5 million. No engineering detail or cost estimates, however, have been prepared by the Office of State Architect.

The CDC has not identified any problems with the operation of the flood control channel at CIM. Consequently, we have no basis for determining how the expenditure of \$1.5 million will benefit the CDC and the state. The CDC, however, has indicated that in 1984, approximately \$50,000 of special repairs funds were used to repair the channel. We have no information to indicate either why the repairs were not effective or why additional work is needed.

This flood control channel, which is managed by the San Bernardino County Flood Control District, is part of a larger system that handles storm water runoff from the CDC institution and surrounding area. Consequently, it does not appear that the state should be solely responsible for financing improvements. In fact, it would appear that these improvements would be the responsibility of the flood control district which should have the financial resources or authority for levying assessments to generate the needed revenues.

In any event, the CDC has not provided any justification for the repairing and upgrading of the channel. We therefore recommend that the Legislature delete Item 5240-301-036(8), for a savings of \$93,000 (Future savings: \$1,407,000).

Primary and Secondary Electrical Study—San Quentin

We recommend that the Legislature delete Item 5240-301-036(12), funds for a study of the primary and secondary electrical system at San Quentin State Prison, because other projects currently underway should provide adequate service, for a savings of \$55,000. (Future savings: \$3,945,000.)

The budget includes \$55,000 to fund a study of the primary and secondary electrical distribution system at San Quentin State Prison. According

to the CDC, the condition of the existing electrical distribution system has contributed to various power outages which in turn pose a security problem. The CDC indicates that the estimated future costs for preliminary planning, working drawings and construction of electrical improvements could reach \$4 million.

There are three reasons that the proposed study should not be approved at this time.

First, the 1985 Budget Act appropriated \$33,000 for preliminary planning and working drawings to improve emergency electrical systems at San Quentin. The CDC, however, has *not* completed preliminary plans for the San Quentin project or for any of the other emergency electrical projects funded for existing institutions. Improvements to the emergency electrical system at San Quentin, should alleviate security problems in the event of electrical power outage.

Second, under the provisions of Chapter 1181/85, the CDC is preparing to make improvements at San Quentin and Folsom State Prisons in response to a court order. A portion of this work consists of upgrading the secondary electrical system that serves the housing units. It is not clear why additional studies of the institution's electrical system are needed given that improvements approved by the court-appointed master at San Quentin are already underway.

Third, Chapter 1181/85 also directs the CDC to develop a long-range master plan for the use of the San Quentin site so that the court-ordered improvements will be consistent with the intended future use of the site. Without the plan and the Legislature's response to it, the appropriate changes to the electrical system cannot be determined. Consequently, the proposed study is premature.

We therefore recommend that the Legislature delete Item 5240-301-036(12), for a savings of \$55,000 (Future savings: \$3,945,000).

Primary Electrical Distribution System Study—Norco

We recommend that the Legislature delete Item 5240-301-036(17), primary electrical distribution study at the California Rehabilitation Center, Norco, because the need to replace the existing system has not been demonstrated, for a savings of \$40,000. (Future savings: \$1,360,000.)

The budget includes \$40,000 for a study to replace the primary electrical distribution system at the California Rehabilitation Center, Norco. The CDC indicates that the existing electrical system is old and contains transformers that are filled with polychlorinated biphenyls (PCBs). The estimated future costs for preliminary plans, working drawings and construction is \$1,360,000 based on an estimate prepared by the CDC. No engineering or cost data has been prepared by the Office of State Architect.

The CDC has not provided sufficient information identifying problems with the existing electrical distribution system to warrant funding of the proposed study. Specifically, the CDC has not identified:

- the nature of the deficiencies in the existing system that indicate the need for a study;
- what work will be accomplished by the Department of General Services using funds appropriated to replace hazardous PCB-filled transformers on a statewide basis;
- the long-term facilities plan for this institution based on projected population.

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

Lacking this information, we recommend that the Legislature delete Item 5240-301-036 (17), for a savings of \$40,000 (future savings: \$1,360,000).

C. PROJECTS TO EXPAND SUPPORT OF FACILITIES

The budget includes one project in the category of improvements to expand program/support facilities.

Mobilehome Site Development—San Quentin

We recommend that the Legislature delete Item 5240-301-036 (13), \$96,000 for preliminary planning and working drawings for mobilehome site development at San Quentin, because the state has already addressed the matter of housing costs for San Quentin employees through the collective bargaining process.

The budget requests \$96,000 for preliminary planning and working drawings to construct a mobilehome park on the grounds of San Quentin State Prison. The improvements would provide space for 100 mobilehomes that would be available to employees at an estimated rental charge of \$32 per month. The CDC indicates that additional employee housing is necessary because the high cost of living in Marin County is a detriment to the recruitment of qualified employees for San Quentin. In addition, the CDC justifies the request on the basis that in the event of a major disturbance at the prison, off-duty employees would be available to respond on short notice.

The total project cost is \$1,508,000, based on an estimate prepared by the CDC. The Office of State Architect has not prepared any detailed project plans or cost estimates for this project.

The recruitment and retention of employees at San Quentin was addressed by the most-recent memorandum of understanding (MOU) agreed to by the state and the California Correctional Peace Officers' Association. In the memorandum, the state agreed to provide a \$175 monthly stipend to all covered employees at San Quentin and the Correctional Training Facility at Soledad. To receive this stipend, employees must make a commitment to stay employed at the facility through June 30 of each eligible year. This stipend is available to covered employees occupying the *existing 82 state-owned* residences at San Quentin. The rental charged on these residences ranges from \$95.50 to \$151.50 per month. The CDC is in the process of revising the rental rates for state-owned housing, and also intends to adopt a policy that would eliminate the \$175 subsidy for employees in state-owned housing.

Construction of this facility would result in significant additional costs to the General Fund. The CDC indicates the anticipated annual rental income from the mobilehome park is \$38,400. Operating costs, however, are expected to exceed \$100,000, based on 1985-86 salary rates. Consequently, the General Fund would have to cover an *annual* operating deficit of over \$60,000, in addition to the estimated construction cost of \$1,508,000.

The CDC has not demonstrated that there is a need for the state to provide additional subsidies for employee housing at San Quentin beyond those available. In fact, given the funds budgeted in CDC's support item for employee housing allowances, this request amounts to double-budgeting. For these reasons, we recommend that the Legislature delete Item 5240-301-036 (13) for a savings of \$96,000 (Future savings: \$1,412,000).

D. MINOR CAPITAL OUTLAY PROJECTS

The budget includes \$2,455,000 under Item 5240-301-036(15) for minor capital outlay projects (\$200,000 or less per project) for the Department of Corrections. The request would fund 25 projects at various institutions. Table 6 lists the requested projects and our recommendation on each project.

Table 6
Department of Corrections
Minor Capital Outlay Projects
1986-87
(dollars in thousands)

Category/Project	Location	Budget Bill Amount	Analyst's Recom- mendation
<i>a. Health, Safety, Security Projects</i>			
1. Security Lighting System	Folsom	\$117	—
2. Metal Gun Walk	Soledad	81	\$81
3. Food Slots in Cells	Vacaville	60	60
4. Add Gun Tower in Yards	Folsom	60	60
5. Hospital Fire Sprinklers	Tracy	86	20
6. Truck and Pedestrian Sallyport	Vacaville	170	—
<i>b. Projects to Mitigate Overcrowding</i>			
7. Main Yard Lighting	Tracy	199	—
8. Yard Showers	Tracy	26	—
9. Enlarge Clothing Room	Tehachapi	74	—
10. Family Visiting Units (2)	Frontera	197	26
<i>c. Improvements to Utilities and Support Facilities</i>			
11. Improve Water System	Frontera	193	74
12. Academy Water Storage	Galt	59	—
13. Main Kitchen Ventilation	Jamestown	27	—
14. Academy Parking Expansion	Galt	70	—
15. Garage Service Pit	SCC Jamestown	12	12
16. Floor Drains in K-Wing	Tehachapi	27	27
17. Window Awning	Chino	35	—
18. Garbage Storage Facilities	San Quentin	143	—
<i>d. Improvements to Program Facilities</i>			
19. Inmate Labor Shop	Chino	199	—
20. Psychiatric Services Alteration	San Luis Obispo	25	25
21. Family Visiting Units (2)	Tehachapi	82	65
22. Main Armory Addition	Norco	60	60
23. Family Visiting Units (4)	Folsom	130	130
24. Family Visiting Units (2)	Vacaville	163	65
25. Dairy Sewer Improvements	Tracy	160	—
Totals		\$2,455	\$705

Minor Capital Outlay Program

We recommend the Legislature reduce Item 5240-301-036(15) by \$1,750,000, to delete or reduce funding for minor capital outlay projects that are not justified.

Our review of the department's minor capital outlay program indicates that funds for 12 projects should be deleted and funds for five projects should be reduced.

Projects for Health, Safety and Security Modifications (Reduce by \$353,000). The department's request includes funds for six projects

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

that would, according to the CDC, make health, safety or security improvements at existing institutions. Based on our review of the information provided by CDC, we recommend the following changes in the amount budgeted:

- **Delete \$117,000** for additional security lighting at Folsom Prison. The Legislature has already funded preliminary plans and working drawings for a major project aimed at providing adequate security lighting at this institution in the 1985 Budget Act.
- **Delete \$170,000** for a new truck and pedestrian sallyport (controlled gate) at Vacaville. The CDC has not documented any security problems with the existing system or the basis of the estimated cost.
- **Reduce by \$66,000** in the amount requested for installing fire sprinklers in the basement of the existing hospital at Tracy. Our review indicates that the cost to install fire sprinklers in the 7,000-square foot basement should not exceed \$20,000, rather than \$86,000 as proposed. No justification has been provided for the higher amount.

Projects to Mitigate Overcrowding (Reduce by \$470,000). The budget includes funds for four projects to mitigate problems resulting from the overcrowding of existing institutions. We recommend the following changes in the amounts budgeted for these projects:

- **Delete \$199,000** for additional yard lighting and **delete \$26,000** for adding yard showers at the Deuel Vocational Institution, Tracy. These improvements are being requested to extend outdoor recreation time because the gymnasium currently is being used as dormitory housing. The CDC's housing plan, however, indicates that overcrowding at this institution is to be reduced during 1986-87 by reassigning over 1,000 inmates to other facilities in the system. This will allow the CDC to return the gymnasium to evening recreational use and avoid the need to spend the requested \$225,000 for lights and showers.
- **Delete \$74,000** for enlarging the clothing distribution room at Tehachapi. The CDC's description of work does not coincide with the CDC description of problems in the clothing distribution building. Moreover, the CDC has not substantiated the requested amount.
- **Reduce by \$171,000** the \$197,000 request for constructing two additional *permanent* family visiting units at the California Institution for Women, Frontera. The requested amount is overbudgeted because this institution already has a sufficient number of family visiting units for the design capacity, based on the department's policy of one unit per 250 inmates. The additional units in this request are to accommodate temporary overcrowding conditions. Temporary needs of this type should be met by providing temporary, rather than permanent, units. Based on the cost of mobilehome type units at other locations, \$26,000 is adequate to fund the project.

Improvements to Utilities and Support Facilities (Reduce by \$453,000). The budget includes \$566,000 for eight projects that are intended to improve utilities and support service facilities at existing institutions. We recommend the following changes in the amounts budgeted for these projects:

- **Reduce by \$119,000** the \$193,000 request to improve the water system at Frontera. A portion of the project is intended to upgrade the irrigation system to provide water to a new horticulture program (Christmas trees and fruit trees). No information has been provided to indicate when this program is to be implemented or whether the

program would be operated and funded by the Prison Industry Authority (PIA). Funds for upgrading this system should be considered if and when the program is implemented as a state-funded program.

- **Delete \$129,000** requested for improvements to the Galt Training Academy in order to provide additional water storage capacity (\$59,000) and expand the existing parking area (\$70,000). The CDC leases the Galt Training Academy and, according to the State Administrative Manual, minor capital outlay funds are not to be used to improve leased facilities.
- **Delete \$27,000** for evaporative coolers in the kitchen at the Sierra Conservation Center, Jamestown. The CDC has not explained adequately why the existing system cannot provide sufficient ventilation in this area.
- **Delete \$35,000** for window awnings at Chino. The project is intended to reduce excessive temperatures in the housing units during the summer season. No information has been provided, however, to indicate what effect the requested project would have on the interior temperatures.
- **Delete \$143,000** for three new garbage storage facilities at San Quentin. The CDC currently is proceeding with a major capital outlay project to make court-ordered improvements at this prison. This project should provide for any improvements needed for garbage handling at the institution.

Improvements to Program Facilities (Reduce by \$474,000). The request includes funds for seven minor capital outlay projects intended to improve program facilities at various institutions. We recommend the following changes to the amounts budgeted for these projects:

- **Delete \$199,000** for a shop and office facility at Chino to house the department's inmate labor program. The program should be able to use existing maintenance shops at Chino as a staging area and work space for inmate labor projects.
- **Reduce by \$115,000** the amounts budgeted for constructing permanent family visiting units at Tehachapi (\$82,000 request for two units) and Vacaville (\$163,000 request for two units). The projects will increase the number of units consistent with department policy of one unit for 250 inmates of design capacity. Our review of these projects revealed that the estimated costs of permanent family visiting units varied from a low of \$32,500 per unit for a project at Folsom to a high of \$81,500 per unit at Vacaville. With the recommended reduction of \$115,000, the budget would provide \$32,500 for each unit—the anticipated costs of the Folsom units. The Folsom units would cost about \$46 per square foot. This is reasonable for this type of facility.
- **Delete \$160,000** for new sewer pumps and equipment to handle discharge from the dairy at Tracy. This dairy is operated by the Prison Industries Authority (PIA). Under existing law, the PIA is to be financially self-sufficient. Therefore, the costs of the proposed improvements should be borne by the PIA rather than the General Fund.

Supplemental Report Language

For purposes of project definition and control, we recommend that the fiscal subcommittees adopt supplemental report language which describes the scope of each of the capital outlay projects approved under this item.

**Youth and Adult Correctional Agency
BOARD OF CORRECTIONS**

Item 5430 from the General
Fund and various special
funds

Budget p. YAC 40

Requested 1986-87	\$96,967,000
Estimated 1985-86.....	319,895,000
Actual 1984-85	185,475,000
Requested decrease \$222,928,000 (-69.7 percent)	
Total recommended reduction	None

1986-87 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5430-001-001—Support	General	\$495,000
5430-001-170—Support	Corrections Training	1,594,000
5430-001-725—Support	County Jail Capital Expenditure, Bond Act of 1981	873,000
5430-101-170—Local assistance	Corrections Training	10,499,000
5430-101-725—Local assistance	County Jail Capital Expenditure, Bond Act of 1981	23,327,000
Total, Budget Bill Appropriations		\$36,788,000
Chapter 444, Statutes of 1984	County Jail Capital Expenditure, Bond Act of 1984	60,179,000
Total, State Funds		\$96,967,000

GENERAL PROGRAM STATEMENT

The principal activities of the Board of Corrections relate to the operations of *local* correctional facilities. Specifically, the board:

1. Inspects county jails in order to monitor their compliance with state standards for county jails, and provides technical assistance to local governments,

2. Awards grants from bond revenues deposited in the County Jail Capital Expenditure Funds to counties for the construction and remodeling of county jail facilities, and

3. Establishes minimum standards for recruiting, selecting, and training local corrections and probation officers, and assists local governments through grants provided from the Corrections Training Fund. Revenues to the fund are derived from penalty assessments on traffic and criminal fines.

The board is authorized 25.4 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes appropriations totaling approximately \$97 million from various state funds to support the Board of Corrections in 1986-87. Of this amount, \$37 million is appropriated in the Budget Bill. The remaining \$60 million has already been appropriated through prior legislation—Chapter 444, Statutes of 1984.

As shown in Table 1, the total budget request represents a decrease of \$223 million, or about 70 percent, below estimated current-year expenditures. The reason for this large decrease is that most of the available bond money for new jail construction has already been appropriated. We discuss the status of the new jail construction program below.

Table 1
Board of Corrections
Budget Summary
1984-85 through 1986-87
(dollars in thousands)

<i>Programs</i>	<i>Actual 1984-85</i>	<i>Est. 1985-86</i>	<i>Prop. 1986-87</i>	<i>Percent Change from 1985-86</i>
1. Standards for Detention Facilities	\$397	\$427	\$495	15.9%
2. Standards and Training	9,603	10,573	12,093	14.4
Administration	(1,206)	(1,323)	(1,594)	20.5
Local Assistance	(8,397)	(9,250)	(10,499)	13.5
3. County Jail Construction	175,475	308,895	84,379	-72.7
Administration	(575)	(787)	(873)	10.9
Local Assistance	(174,900)	(308,108)	(83,506)	-72.9
Totals, Expenditures	\$185,475	\$319,895	\$96,967	-69.7%
Funding Source				
General Fund	\$382	\$412	\$495	20.1%
Corrections Training Fund	9,603	10,573	12,093	14.4
County Jail Capital Expenditure Fund, Bond Act of 1981	175,213	109,573	24,200	-77.9
County Jail Capital Expenditure Fund, Bond Act of 1984	262	199,322	60,179	-69.8
Federal Trust Fund	15	15	—	-100.0

The board requests 3.8 additional personnel-years for 1986-87 to handle workload increases in several existing programs. The board also requests an additional \$1.2 million for local assistance because of changes in the standards and training program. These requests are discussed in more detail below.

ANALYSIS AND RECOMMENDATIONS

Standards for Detention Facilities

We recommend approval.

The board requests \$495,000 from the General Fund to finance the standards for detention facilities program in 1986-87. This amount includes \$69,000 for one additional field representative position. The position would supplement the current program by providing technical assistance to jail administrators, inspecting jail facilities, reviewing plans and specifications for new jails, and establishing and reviewing jail standards. The board indicates that the position is needed because of the increase in workload brought about by jail construction, overcrowding and litigation. Our analysis indicates that the proposed position is justified on a workload basis.

Standards and Training

We recommend approval.

The budget requests \$12,093,000 from the Corrections Training Fund for the standards and training program in 1986-87. The requested amount includes \$169,000 for 2.8 additional positions and \$1,249,000 for additional

BOARD OF CORRECTIONS—Continued

local assistance funds. The board indicates that additional funding is needed due to the implementation of new empirically-based standards, and increases in program participation by local correctional and probation departments.

New Empirically-Based Standards. Since 1980, the Board of Corrections has used interim standards for selection and training of entry-level corrections personnel. The interim standards were adopted on the grounds that analysis of an empirically-created data base covering job-related activities would permit the development of legally defensible standards.

In 1981, the Legislature mandated the board to contract for the research necessary to establish selection and training standards for entry-level personnel. The board indicates that the final product, which was completed by the contractor in August 1985, includes a large occupational analysis of these personnel, and comprehensive job-related and legally-defensible standards for statewide use. The board adopted the new standards in January 1986.

The requested staff include a corrections and probation consultant, a selection and training specialist, and an office technician. The board indicates that the additional staff are needed to: (1) administer the additional components required by the program under the new standards, and (2) handle the increased workload caused by a 60 percent increase in local participation under the program since 1980-81.

The board indicates that \$905,000 of the requested increase in local assistance is needed because of the change in standards, which will require additional training for newly-hired replacement staff at local facilities. The remainder of the requested local assistance increase (\$344,000) is needed because of the increase in local personnel eligible to receive funding in the budget year.

Our analysis indicates that the request is reasonable and consistent with prior legislative intent.

County Jail Construction***We recommend approval.***

The budget proposes expenditure of \$84,379,000 for the county jail construction program in 1986-87. This is a decrease of \$224,516,000, or 73 percent, below estimated current-year expenditures. The 1986 Budget Bill includes an appropriation of \$24,200,000 from the County Jail Capital Expenditure Fund, Bond Act of 1981. The remaining amount (\$60,179,000) is funded from the County Jail Capital Expenditure Fund, Bond Act of 1984, and was appropriated by the Legislature in Ch 444/84 (AB 3805), as amended by Ch 1133/84 (SB 50).

The new prison construction program will provide approximately \$535 million for jail projects (\$530 million from the 1981 and 1984 bond acts and approximately \$5 million in interest from a previous General Fund appropriation for jail projects). Interest earned on the bonds will also be used for the projects, but because of uncertainties regarding the bond market, the amount that will be available from this source is not known.

The board indicates that to date, approximately \$350.6 million has been encumbered under contracts with 22 counties. The board anticipates that the remaining balances from prior appropriations and the \$24 million appropriated in the 1986 Budget Bill will be encumbered by November

1986. At the time this analysis was prepared, approximately \$34 million had actually been expended. The budget indicates that approximately \$81 million will be available for appropriation in 1987-88.

County Jails Remain Overcrowded. As of January 24, the capacity of California's county jail system (as rated by the board) was approximately 38,950. The actual population in the system on that date was approximately 53,000, or 36 percent, above capacity. The board estimates that the capacity will increase to about 50,350 by 1988-89 because of funding provided by both the state, through the county jail construction program (9,700 additional beds), and the counties (1,700 beds).

The board indicates that, if current growth trends continue, the state's jail population could reach 65,000 before the additional beds are completed. Consequently, it estimates that even with the new beds, jails would be overcrowded at approximately 29 percent above their rated capacity.

Youth and Adult Correctional Agency BOARD OF PRISON TERMS

Item 5440 from the General

Fund

Budget p. YAC 45

Requested 1986-87	\$7,950,000
Estimated 1985-86	7,037,000
Actual 1984-85	6,779,000
Requested increase \$913,000 (+13.0 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Board of Prison Terms is composed of nine members appointed by the Governor and confirmed by the Senate for terms of four years. The board:

- Considers parole release for persons sentenced to prison under the Indeterminate Sentence Law, or to life imprisonment with the possibility of parole;
- Determines whether and for how long a parolee should be returned to prison for a violation of parole;
- Reviews sentences of all felons committed to the Department of Corrections to determine whether specific sentences conform to those received by other inmates convicted of similar offenses; and
- Advises the Governor on applications for clemency.

The board has 108.7 authorized personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes an appropriation of \$7,950,000 from the General Fund for support of the Board of Prison Terms in 1986-87. This is an increase of \$913,000, or 13 percent, over estimated current-year expenditures.

The board proposes to increase its staff to 113.3 personnel-years in the budget year, an increase of 4.6 personnel-years over the current-year

BOARD OF PRISON TERMS—Continued

level. The increase consists of 3.6 hearing representative positions and one associated clerical support position.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

Staff Increase. These new positions are requested to meet increased parole consideration and parole revocation hearings workload. The board advises that it has attempted to handle the increased workload by modifying its administrative hearing processes. According to the board, although these changes have resulted in a 20 percent reduction in the time needed for parole revocation hearings and a 17 percent reduction in the time needed for subsequent hearings for inmates serving life sentences, additional staff are needed in the budget year.

Our analysis indicates that the request is justified because of workload increases. The Department of Corrections indicates that the number of persons on parole has doubled in the past five years and estimates that it will increase by about 10 percent in the budget year. The board estimates that the number of inmates serving life sentences who will require parole consideration hearings will increase by approximately 13 percent.

Computer Equipment. The budget also requests \$250,000 for new computer equipment. The board currently leases its computer equipment under an agreement that will expire in December 1986. The board uses computers for a variety of functions, including disparate sentence review and clemency, parole revocation hearings, life prisoner hearings, and appeals. In our judgment, the proposed purchase is the best alternative for meeting the board's long-term data processing needs.

**Youth and Adult Correctional Agency
YOUTHFUL OFFENDER PAROLE BOARD**

Item 5450 from the General

Fund

Budget p. YAC 47

Requested 1986-87	\$2,880,000
Estimated 1985-86.....	2,706,000
Actual 1984-85	2,515,000
Requested increase \$174,000 (+6.4 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. Recommend that the board report to the Legislature during budget hearings on the program and fiscal implications of its proposal to change regulations governing parole consideration dates.

1055

GENERAL PROGRAM STATEMENT

The Youthful Offender Parole Board is responsible for paroling persons (wards) committed to the Department of the Youth Authority. In addition, it may:

- Revoke or suspend parole.
- Recommend treatment programs.
- Discharge wards from commitment.
- Return wards to the committing court for an alternative disposition of their cases.
- Return nonresidents committed to the department to their home states.

The board has seven members who are appointed by the Governor and confirmed by the Senate. It has 37.9 authorized personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes an appropriation of \$2,880,000 from the General Fund for support of the Youthful Offender Parole Board in 1986-87. This is an increase of \$174,000, or 6.4 percent, above estimated current-year expenditures.

The net increase proposed for the budget year reflects (1) an increase of \$145,000 for employee compensation adjustments, and (2) an increase of \$29,000 in operating expenses. Program changes proposed for 1986-87 include:

- An increase of \$35,000 in travel costs for board hearing officers. The Governor recently filled three vacant positions on the board with residents from southern California. The composition of hearing officers now reflects 9 southern California members and 3 from northern California. The Department of Finance authorized the creation of a \$35,000 deficiency in the current year for these additional travel costs.
- \$8,000 to reimburse two additional counties for the costs of providing security services at parole violation hearings.
- An increase of \$23,000 for lease payments to the Teale Data Center, related to automation of the board's hearing calendar and other office functions.

ANALYSIS AND RECOMMENDATIONS**Board Should Advise Legislature of Costly Regulation Changes**

We recommend that, at the time of budget hearings, the Youthful Offender Parole Board (YOPB) report to the Legislature on the program and fiscal implications of its proposed changes to regulations governing parole consideration dates.

The YOPB is responsible for paroling wards from the Youth Authority. The board's parole release decision-making system is based upon "parole consideration dates" which are established for each ward when he or she is first committed to the state. Briefly defined, a parole consideration date (PCD) represents the interval of time that the board believes the ward should stay in a Youth Authority institution before he or she is ready for parole. A PCD is not a fixed sentence or release date. It can be adjusted up or down by the board, depending upon its assessment of a ward's progress within the institution.

The board employs a seven-level classification system for determining a ward's parole consideration date. This system is set forth in regulations

YOUTHFUL OFFENDER PAROLE BOARD—Continued

issued pursuant to Title 15 of the California Administrative Code.

Each level or category within the system is based upon the seriousness of the offense and the degree of danger that the ward poses to the public. For example category one is for wards that have committed the most serious crimes, including first and second degree murder. The current parole consideration date for this category of offenses is six years. Categories six and seven comprise the least serious offenses, such as second degree burglary and violation of parole. The parole consideration date for these categories is one year.

Major Revisions to Parole Consideration Dates. At its November 1985 meeting, the board approved major revisions to the existing parole consideration date structure. Board staff indicate that the revised regulations should be in place by July 1, 1986, following review by the Office of Administrative Law. As adopted by the board, the changes would do the following:

- Increase the PCD for category one offenses from six to seven years.
- Increase the PCD for category five offenses from 15 months to 18 months.
- Move various offenses from lower to higher categories.
- Add some crimes to specific offense categories.
- Clarify the language and meaning of some offense descriptions.

The board indicates it has amended these regulations for two major reasons. First, the board believes that there is a need to hold juvenile offenders to a higher standard of accountability. Consequently, it proposes to increase the sanctions for many juvenile offenses. Second, the board indicates that a more lengthy confinement period will improve a ward's chances of receiving needed treatment. According to the board, 30 percent of all wards committed to the Youth Authority are unable to be placed initially in treatment programs judged necessary by the board.

Impact of Proposed PCD Changes. The program and budgetary impacts of the proposed PCD revisions are considerable. For instance, the board estimates that these changes will add *two months* to the average ward's length-of-stay, and increase the population of the Youth Authority by *531 wards* annually once the full effect of the changes has been felt (that is, by the end of fiscal year 1990-91).

The estimated effects of the proposed PCD revisions on the Youth Authority's institutional population are shown in Table 1.

Table 1
Effect of Change in Youthful Offender Parole Board Parole Release Policies
On Youth Authority Institutional Population
1984-85 through 1990-91

	<i>Actual</i> 84-85	<i>Est.</i> 85-86	<i>Proj.</i> 86-87	87-88	88-89	89-90	90-91	Future Years
Youth Authority population projections ^a	6,035	6,632	7,300	7,700	8,050	8,350	8,600	Not Projected
Increase in population due to proposed policy changes.....	—	—	—	116	218	334	456	531
Totals.....	6,035	6,632	7,300	7,816	8,268	8,684	9,056	Not Projected

^a Population at the beginning of the fiscal year.

Further, the board indicates that the additional population will require the construction of new institutional space. It estimates that the cost of such space will total *\$58.8 million* for capital outlay and one-time expenditures and *\$11.5 million* for ongoing operating costs.

In making these policy changes, the board is committing the state to a significant increase in ward population, as well as imposing potentially major costs for construction and operation of new institutional bed space. The budget, however, contains no discussion of the pending change in the parole consideration dates or the resulting increase in the ward population. Nor do the population projections transmitted by the Youth Authority make any mention of the effect that the board's actions will have on the Youth Authority's population or the average length-of-stay. Nor does the department's capital outlay program reflect the need to construct the additional institutional bed space needed as a result of the board's PCD revisions.

In order that the Legislature is fully informed of the impact that the proposed policy changes will have, we recommend that the board report at budget hearings on the full program and fiscal implications of its proposal to revise regulations governing parole consideration dates.

Youth and Adult Correctional Agency
DEPARTMENT OF THE YOUTH AUTHORITY

Item 5460 from the General
Fund

Budget p. YAC 48

Requested 1986-87	\$335,363,000
Estimated 1985-86.....	311,218,000
Actual 1984-85	281,931,000
Requested increase \$24,145,000 (+7.8 percent)	
Total recommended reduction	2,587,000
Recommendation pending	743,000

1986-87 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5460-001-001—Support	General	\$248,026,000
5460-001-890—Support	Federal	(870,000)
5460-101-001—Local Assistance	General	71,857,000
5460-001-036—Support	Special Account for Capital Outlay	2,084,000
Chapter 1455, Statutes of 1984, Regional Youth Education Centers	General	500,000
Reimbursements		<u>12,896,000</u>
Total, State Funds		\$335,363,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. Current-Year Deficiency Request. Recommend that the department reevaluate its current year spending needs and report its findings to the fiscal committees prior to hearings on the proposed deficiency appropriation for 1985-86. 1063

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

2. **Population Management Plan. Reduce Item 5460-001-001 by \$1,518,000.** 1064
Recommend deletion of funds for a contract with the Department of Mental Health to provide bed space for 120 wards, because we have no evidence that the beds will be available. Withhold recommendation on \$391,000 in staffing and operating costs, pending receipt of a plan for funding capital outlay modifications needed to house additional wards.
3. **Overtime Meals. Reduce Item 5460-001-001 by \$113,000.** 1065
Recommend reduction of funds budgeted for overtime meal reimbursement to reflect a more reasonable assessment of employee overtime meal practices.
4. **Pre-Employment and Psychological Screening. Reduce Item 5460-001-001 by \$462,000.** 1066
Recommend reduction of funds budgeted to expand the pre-employment screening process because the department has failed to demonstrate deficiencies with the existing system.
5. **Ward Care and Maintenance Costs.** 1068
Recommend the enactment of legislation requiring parents to pay some of the costs of supporting minors committed to the Youth Authority for a potential General Fund savings of up to \$4.2 million, less administrative costs.
6. **Preston Temporary Housing Plan. Reduce Item 5460-001-001 by \$46,000.** 1068
Recommend deletion of additional security staff which will not be needed. Further, withhold recommendation on the remaining \$131,000 pending receipt of a revised plan for housing the infirmary services and pre-camp wards.
7. **Institutional Search Teams. Reduce Item 5460-001-001 by \$200,000.** 1069
Recommend deletion of overtime funds requested for proposed search teams, because the department has failed to substantiate an increase in contraband and security incidents at all institutions or the effectiveness of existing searches.
8. **Information Systems Plan.** 1070
Withhold recommendation on \$221,000, pending receipt of two pilot study evaluations and a status report on two additional components of the information systems plan.
9. **Technical Budgeting Issues. Reduce Item 5460-001-001 by \$248,000.** 1071
Recommend reduction of funds relating to various technical budgeting issues.
10. **Physical Fitness Pay.** 1072
Recommend that the department report on various issues related to physical fitness incentive pay.

GENERAL PROGRAM STATEMENT

The Department of the Youth Authority is responsible for the protection of society from the criminal and delinquent behavior of young people. The Welfare and Institutions Code directs the department to operate training and treatment programs which seek to correct and rehabilitate youthful offenders, rather than punish them. This mission is carried out through four programs—Institutions and Camps, Parole Services, Prevention and Community Corrections, and Administration.

Institutions and Camps Program. The department operates 10 major institutions, including two reception center-clinics, as well as 6 conservation camps in cooperation with the Department of Forestry and the U.S. Forest Service. In addition, the department operates two smaller facilities—Silverlake Pre-parole and the El Centro Training Center.

Parole Services Program. The goal of the parole services program is to protect the public from further criminal activity on the part of Youth Authority wards by assisting with their successful reintegration into the community. The department operates various individual parole offices throughout the state which provide ward supervision, liaison with community agencies, individual and community assessment, and intervention to prevent violent behavior.

Prevention and Community Corrections Program. This program works with local communities to reduce delinquent and criminal behavior. Major responsibilities include the County Justice System Subvention Program, development of standards for and inspection of local facilities which detain juveniles, delinquency prevention activities and local training.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes the expenditure of \$335,363,000 from the General Fund and reimbursements to support the activities of the Department of the Youth Authority in 1986–87. This is an increase of \$24,145,000, or 7.8 percent, above estimated current-year expenditures.

The department's total expenditure program for the budget year, including federal funds, is \$336,233,000, which is \$24,041,000, or 7.7 percent, more than estimated total expenditures in 1985–86. Table 1 provides a summary of the department's total expenditures and staffing levels, by program, for the past, current, and budget years.

Table 1
Department of the Youth Authority
Program Summary
1984–85 through 1986–87
(dollars in thousands)

	<i>Actual</i> 1984–85	<i>Est.</i> 1985–86	<i>Prop.</i> 1986–87	<i>Percent</i> <i>Change from</i> 1985–86
Expenditures				
Prevention and Community Corrections	\$70,473	\$73,519	\$75,032	2.1%
Institutions and Camps	182,947	209,860	230,652	9.9
Parole Services	29,291	28,506	30,254	6.1
Administration:				
Undistributed	215	307	295	–3.9
Distributed	(11,979)	(12,896)	(14,272)	(10.7)
Totals	\$282,926	\$312,192	\$336,233	7.7%
Personnel Years				
Prevention and Community Corrections	53.2	47.2	47.2	—
Institutions and Camps	3,675.8	3,842.0	3,941.6	2.6%
Parole Services	374.6	333.8	323.3	–3.1
Administration	233.0	241.9	244.8	1.2
Totals	4,336.6	4,464.9	4,556.9	2.1%

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

The department's proposed budget changes are summarized in Table 2, by funding source. As shown in the table, the \$21,714,000 increase in General Fund support proposed for the budget year includes \$20,382,000 for state operations and \$1,332,000 for local assistance. The budget also proposes an expenditure of \$2,084,000 from the Special Account for Capital Outlay to provide for major equipment, special repairs, and recurring maintenance in 1986-87. In addition, the department anticipates a net increase of \$243,000 in federal funds and reimbursements in the budget year.

The budget does not include additional funding for Merit Salary Adjustments or Operating Expenses and Equipment. The department estimates that it will have to absorb \$2,070,000 to provide for these costs in the budget year.

ANALYSIS AND RECOMMENDATIONS**STATE OPERATIONS**

The budget proposes an increase of \$20,382,000, or 9 percent, in the department's General Fund operating budget for 1986-87. As shown in Table 2, this increase is the net result of projected increases in ward population, workload and staffing changes, cost adjustments, and various proposed program changes.

Table 2
Department of the Youth Authority
Proposed 1986-87 Budget Changes
(dollars in thousands)

	<i>General Fund</i>			<i>SAFCO</i>	<i>Federal Funds and Reimburse- ments</i>	<i>Total</i>
	<i>State Operations</i>	<i>Local Assistance</i>	<i>Total</i>			
1985-86 Expenditures (Revised)	\$227,644	\$71,025	\$298,669	—	\$13,523	\$312,192
Proposed Changes:						
A. Workload Adjustments						
1. Ward Population	6,728	—	6,728	—	336	7,064
2. Casework Blankets	424	—	424	—	—	424
3. Fair Labor Standards	-1,300	—	-1,300	—	—	-1,300
B. Cost Adjustments						
1. Employee Compensation	12,955	—	12,955	—	—	12,955
2. Inflation Adjustments	1,140	1,332	2,472	—	—	2,472
3. Full Year Cost Adjustments ..	515	—	515	—	—	515
4. Reduction for One-Time Costs	-856	—	-856	—	—	-856
5. Transfer Funding to Dept. of Forestry	-103	—	-103	—	—	-103
6. Fund Shift for Special Repairs	-1,334	—	-1,334	1,334	—	—
7. Misc. Adjustments	—	—	—	—	-93	-93

C. Program Changes

1. Temporary Ward Relocation	183	—	183	—	—	183
2. Medical Treatment for Hepatitis B	66	—	66	—	—	66
3. Major Equipment	—	—	—	350	—	350
4. Recurring Maintenance	—	—	—	400	—	400
5. Information Systems Plan	257	—	257	—	—	257
6. Internal Affairs	85	—	85	—	—	85
7. Computer Assisted Instruction	68	—	68	—	—	68
8. Portable Radios	103	—	103	—	—	103
9. Overtime Meals	170	—	170	—	—	170
10. Badges and Uniforms	344	—	344	—	—	344
11. Out-of-Home Placement	500	—	500	—	—	500
12. South Central LA Gang Program ^a	(183)	—	(183)	—	—	(183)
13. Pre-Employment Screening	237	—	237	—	—	237
14. Institution Search Teams	200	—	200	—	—	200
1986-87 Expenditures (Proposed)	\$248,026	\$72,357	\$320,383	\$2,084	\$13,766	\$336,233
Change From 1985-86						
Amount	\$20,382	\$1,332	\$21,714	\$2,084	\$243	\$24,041
Percent	9.0%	1.9%	7.3%	100%	1.8%	7.7%

^a Program is funded through redirection of existing funds budgeted for similar departmental functions.

A net increase of \$6,728,000 is requested for population-related changes which are discussed in detail below. Proposed program changes to the department's support budget result in a net increase of \$2,213,000. Several of these proposals are discussed later in this analysis. We recommend approval of the following significant program changes which are not discussed elsewhere:

- An augmentation of \$66,000 to establish a departmental program for testing, screening, and treatment of Hepatitis B.
- Additional funds in the amount of \$68,000 to purchase 30 microcomputers for use in institutional classrooms.
- A total of \$500,000 to increase funding for out-of-home placement of Youth Authority parolees.
- The redirection of funds for four parole agent positions and one youth counselor position, at a cost of \$183,000 to establish a multi-agency network to control gang-related activities in South Central Los Angeles.
- An additional \$85,000 to hire an internal affair investigator and establish a unit to investigate allegations of employee misconduct.

Population Growth Continues

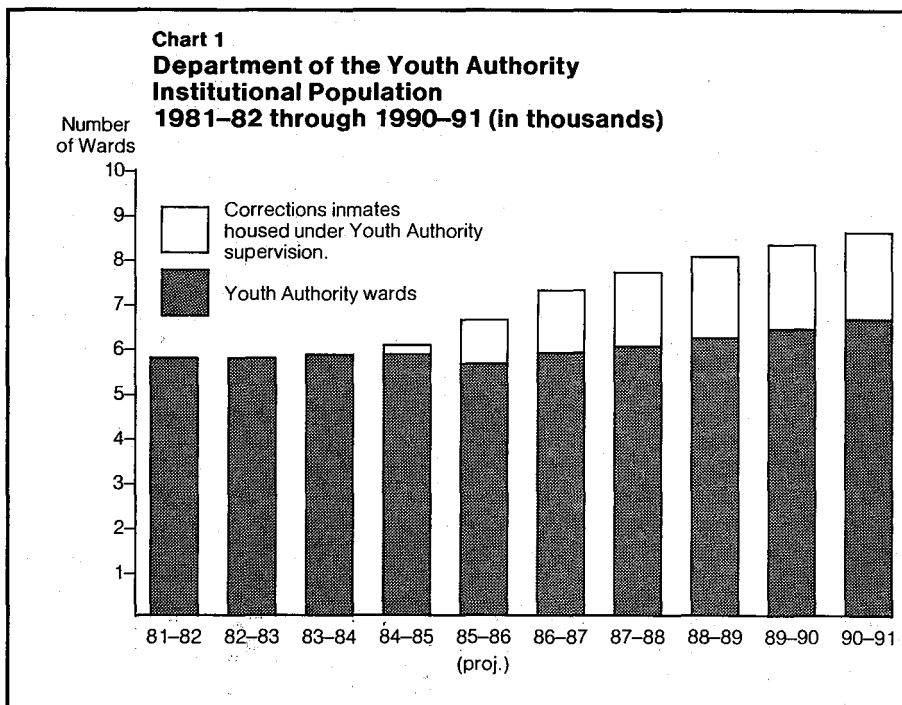
The institutional population of the Department of the Youth Authority is increasing rapidly. The department's current-year support budget is based on the assumption that the ward population will increase from 6,440 on June 30, 1985, to 6,575 on June 30, 1986. By January 1, 1986, however, the number of wards in the department's institutions and camps already had reached 7,100—more than what the department had expected to have at the end of the year. Moreover, as shown in Table 3, the department's revised population projections now indicate the need to house 7,300 wards by the end of the current year and 7,700 wards by the end of the budget year.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Table 3
Department of the Youth Authority
Institutions and Camps Program
End-of-Year Population
1984-85 through 1986-87

	<i>Actual</i> 1984-85	<i>Est.</i> 1985-86	<i>Prop.</i> 1986-87
Reception Centers (male and female wards)	824	828	834
Facilities for Male Wards	5,513	6,070	6,344
Facilities for Female Wards.....	295	352	352
Subtotals, departmental facilities	6,632	7,250	7,530
Contracted County Beds	—	25	25
Federal Facilities	—	25	25
Department of Mental Health	—	—	120
Totals, all facilities	6,632	7,300	7,700
Change from prior year	+594	+668	+400

Chart 1 depicts the historical and projected growth in the Youth Authority population from 1981-82 through 1990-1991. As the chart indicates, the Youth Authority's population is composed of wards committed by juvenile and criminal courts, and Department of Corrections' inmates housed in Youth Authority institutions under the provisions of Chapter 701, Statutes of 1983 (SB 821). For an analysis of the department's growing population problem and alternatives for managing institutional overcrowding, please see Part Three of the *Perspectives and Issues on the 1986-87 Budget*.



Deficiency Funding Needed to House Increased Population in Current Year. In order to pay the costs of housing 725 more wards than what had been anticipated, the Department of Finance proposes to allocate to the Youth Authority \$8,800,000 from the reserve for contingencies and emergencies. The department indicates that these funds will be used to accommodate the additional population in the following ways:

1. Permanently overcrowd the department's two reception-centers by 140 wards,
2. Expand double-bunking at the Youth Training School (100 wards) and the Ventura School (35 wards),
3. Increase the population of existing living-units at the Preston School of Industry (82 wards), Paso Robles School (49 wards), Fred C. Nelles School (84 wards), O. H. Close School (18 wards), DeWitt Nelson Training Center (48 wards), and the Youth Conservation Camps (6 wards).
4. House 60 wards in a gymnasium at the Paso Robles School, convert a wing of the Northern California Youth Center hospital to house 60 wards, and utilize an auxiliary dayroom at the Northern Reception Center-Clinic to house an additional 18 wards.
5. Place 25 wards in federal facilities.

We discuss this and other current-year budget deficiencies below.

Department Should Clarify Deficiency Needs

We recommend that the department reevaluate its current-year spending needs and report to the fiscal committees prior to hearings on its requested deficiency appropriation for 1985-86.

The budget indicates that the Department of the Youth Authority will incur a total deficiency of \$10,796,000 in the current year. This amount consists of (1) \$8,800,000 to house a much larger population than what had been anticipated in the 1985 Budget Act, (2) \$1,300,000 to pay employees time-and-a-half for overtime, pursuant to new regulations related to the Fair Labor Standards Act, (3) \$370,000 to expand the department's pre-employment investigations unit and to implement a psychological screening program for entry-level peace officer candidates, (4) \$169,000 to fund increased reimbursement allowances for overtime meals, and (5) \$31,000 to provide badges for security and conservation camp personnel who will be issued uniforms in the current year as a result of a collective bargaining agreement.

Our review of the department's deficiency request indicates that the amount is overstated. For example, we note that:

- Capital outlay modifications required to convert the Northern California Youth Center hospital and the Paso Robles gymnasium so that these facilities can house a total of 120 wards will not be completed until late in the current year. Therefore, all or a portion of the funds requested to staff these units may not be needed in 1985-86.
- Many positions which the department plans to administratively establish in the current year will not be filled until after January 1, 1986. Because the budget assumes that these positions will be filled for six months in 1985-86, the deficiency amount is most likely overstated.
- While the budget indicates that a total of \$10,786,000 will be needed for 1985-86, the Department of Finance has approved a deficiency of only \$10,670,000—\$126,000 less than the amount indicated in the budget.

We recognize that fluctuations in ward population make it difficult for the department to project its deficiency expenditures with precision. Nevertheless, our analysis of the department's current-year deficiency indi-

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

cates that the amount of funds requested probably is overstated. To ensure that the department does not needlessly tie up resources that the Legislature could appropriate for other high priority programs, we recommend that the department reevaluate its current-year spending patterns and needs, and provide the fiscal committees with an updated deficiency request prior to hearings on the deficiency appropriations bill.

Sufficient Bed Space Has Not Been Reserved for Increased Ward Population

We recommend that the Legislature deny the department's plan to contract with the Department of Mental Health (DMH) for additional bed space, because of inadequacies in the administration's plan to accommodate the additional wards in DMH facilities, for a General Fund savings of \$1,518,000 (Item 5460-001-001).

We withhold recommendation on \$391,000, requested to fund staffing and operating costs, pending receipt of information from the department describing (1) how proposed capital outlay modifications to three facilities will be financed, (2) what specific work will be accomplished, and (3) a timetable for completing the modifications.

The budget proposes a total of \$15,528,000 and 261.6 personnel years to accommodate the major increase in the Youth Authority's institutional population during the current and budget years.

Housing Plan for the Budget Year. In addition to continuing the measures that are being implemented in the current year (described above), the department's population management plan indicates that the anticipated increase of 400 wards in 1986-87 will be accommodated by (1) overcrowding a total of 124 beds at the reception-centers and various other institutions, (2) increasing the population of the Pine Grove Camp by 16 wards, (3) double-bunking an additional 50 beds and placing 60 wards in a gymnasium at the Youth Training School, (4) converting a field house to provide 30 beds at the Fred C. Nelles School, and (5) contracting with DMH for 120 beds.

Our analysis indicates that there are major uncertainties regarding the department's ability to secure sufficient bed-space as proposed in the population plan.

Proposed Mental Health Beds May Not Be Available. The department requests \$1,947,000 from the General Fund to contract with the DMH for bed space to accommodate 120 wards. The amount requested would cover partial-year housing costs only. The full-year cost of placing 120 wards in the mental health system would be \$5,519,000, or about \$46,000 per ward.

The department's ability to place 120 wards in DMH facilities is highly uncertain for the following reasons:

1. The Youth Authority has been unable to (a) specify which DMH hospitals would receive the additional wards, (b) indicate how many wards would be placed within each facility, or (c) describe what type of programming and services would be offered to the wards.

2. The Department of Mental Health's budget year population projections *do not* reflect an increase in placements from the Youth Authority. Nor is the \$1.9 million requested by the Youth Authority reflected in the DMH budget.

3. The budget indicates that the mental health hospital population will increase in 1986-87, in part due to increases in the new Mentally Disordered Offender population and the transfer of 100 Department of Corrections inmates. These increases, coupled with several major renovation

projects scheduled for 1986-87, cast doubt on whether *any* mental health bed space can be made available for Youth Authority wards in the budget year.

For these reasons, we cannot recommend approval of the department's plan to contract with the DMH for 120 beds in the budget year. We estimate that in order to provide for the additional 120 wards within existing Youth Authority institutions, the department would require a total of \$429,000 for partial-year staffing and operating costs. Consequently, we recommend that the Legislature reduce the amount budgeted from the General Fund by \$1,518,000 to reflect the deletion of funds requested for a contract with the DMH and the addition of funds to accommodate an additional 120 wards in Youth Authority institutions and camps.

No Funds Included to Modify Existing Facilities. The department's population management plan also proposes the conversion of existing facilities to house an additional 96 wards. Specifically, the department states that (1) 60 wards will be accommodated in a converted gymnasium at the Youth Training School, (2) 30 wards will be housed in a remodeled field house at the Fred C. Nelles School, and (3) 16 wards will be housed by expanding the Pine Grove Conservation Camp. A total of \$391,000 is included in the budget for partial-year staffing and operating costs for these three facilities.

The department indicates that \$400,000 in minor capital outlay funding will be needed to modify each of these facilities so that they can accommodate the increased ward populations. The budget, however, *fails to include any funding* for such modifications. Further, the department has submitted no information to describe the nature of the work which would be accomplished, or when the proposed modifications would be completed. It is unclear, therefore, how the department will provide bed space for these additional 96 wards in the budget year.

Consequently, we withhold recommendation on \$391,000 requested for staffing and operating costs for these three facilities, pending receipt of (1) a plan for financing the capital outlay modifications, (2) a description of the proposed work, and (3) a timetable for completion of each project.

The Cost of Overtime Meals Is Overbudgeted

We recommend that the Legislature reduce by \$113,000 the amount budgeted from the General Fund for additional overtime meal reimbursements to reflect the fact that many employees will eat their meals at Youth Authority facilities (Item 5460-001-001).

The department requests \$339,000 from the General Fund to finance meals for peace officers when they work overtime. Pursuant to a collective bargaining agreement for 1985-87, the department is responsible for the cost of these overtime meals, effective January 1, 1986.

Under the terms of the bargaining agreement, Youth Authority peace officer employees who work overtime are issued a meal ticket. The employees may use this meal ticket in one of three ways. They may (1) turn in the meal ticket at the institution or camp to obtain an overtime meal at the staff cafeteria or dining room, (2) submit a travel expense claim without a receipt for a flat rate of \$5.50 per meal ticket, or (3) submit a travel expense claim with a receipt and receive up to \$7.25 for each meal ticket.

The budget request assumes that the employees will redeem their meal tickets for either \$5.50 or \$7.25. No adjustment has been included to reflect the fact that many employees will obtain an overtime meal at an institu-

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

tion or camp. In our judgment, this is an unreasonable assumption considering the relative convenience of eating at the facility.

If just one-third of those employees who work overtime choose to eat their meals at the institution or camp, the department would realize a savings of \$113,000. This amount is based on the assumption that employee preference between the three overtime meal options would be equal. Given the remote location of many Youth Authority facilities, however, the number of employees choosing to eat at the institution may be greater than one-third.

On this basis, we recommend that the department's request be reduced by \$113,000 to reflect a more reasonable assessment of the amount needed to reimburse employees for overtime meals.

In the current year, the Department of Finance notified the Joint Legislative Budget Committee (JLBC) pursuant to Section 27 of the 1985 Budget Act, that it intended to authorize the Youth Authority to create the need for a deficiency appropriation by spending \$169,000 for these overtime meals. The JLBC has recommended that \$56,000 of this deficiency request not be approved for the reasons stated above.

Deficiencies in Pre-Employment Screening Unit Are Not Apparent

We recommend that the Legislature reduce by \$462,000 the amount budgeted from the General Fund to expand the pre-employment screening process, because the department has failed to substantiate problems with the current process (Item 5460-001-001).

The budget includes \$607,000 from the General Fund to expand the Youth Authority's pre-employment screening process. Specifically, the department proposes to increase from 11 to 18 the number of hours it devotes to the background investigation of each applicant for peace officer positions (group supervisors, youth counselors, parole agents, medical technical assistants, and casework specialists). It also proposes to contract with a private entity to conduct a psychological screening program for each candidate.

In the current year, the Director of Finance notified the Joint Legislative Budget Committee (JLBC) that, using the authority given him by Section 27 of the 1985 Budget Act, he intended to approve the creation of a \$370,000 deficiency for the department so that it could begin the expanded investigations. The Joint Legislative Budget Committee recommended that this deficiency not be approved because the department had not demonstrated that it was having a problem hiring qualified personnel, or that expanding its pre-employment screening activities would ameliorate such a problem, if it exists.

Existing Pre-Employment Screening Process. Under existing law, the department is required to complete a thorough background investigation of all prospective candidates for peace officer status positions. The department currently employs a nine-person pre-employment screening unit to conduct background investigations of all entry-level peace officer candidates. Some of the unit's major tasks include (1) reviewing the candidate's personal history statement and application, (2) performing military, motor vehicle, law enforcement and other background checks, (3) requesting various credit and police reports and records, (4) reviewing medical and other information, and (5) evaluating this information in order to assist the hiring process. Completing these tasks requires about 11 hours per candidate.

Audit of Pre-Employment Screening Unit. In April 1985, the department asked the Peace Officer Standards and Training (POST) Commission to conduct an audit of its pre-employment screening unit. POST staff randomly selected 13 background investigation packages to review as representative examples of the department's pre-employment screening process. Based upon the results of this audit, POST staff identified the following deficiencies:

- Inconsistent documentation of personal contacts with previous employers, references, neighbors, etc.
- Inadequate military checks and verification of draft registration.
- Incomplete investigation summary reports.
- Lack of a psychological testing program.

Budget Proposal. According to the department, the funds requested in the budget would allow the department to expand the pre-employment screening program, in order to correct these deficiencies. Specifically, the department requests \$518,000 for eight additional background investigators and two clerical assistants, and \$89,000 to contract with a private entity to develop and administer a psychological screening program for all entry-level peace officer candidates. The additional positions would enable the department to fully comply with POST background investigation standards and conduct the increased number of investigations anticipated for the current and budget year.

Need to Expand Pre-Employment Screening Program Not Substantiated. The department has not provided any information to show that its *existing* pre-employment screening process fails to yield qualified candidates for its peace officer positions.

Specifically, the Youth Authority has been unable to tell us what problems have arisen because of its current screening procedures or the extent to which these procedures have created difficulties in selecting and retaining competent peace officer candidates. Further, the department has not demonstrated how the expansion of its pre-employment screening unit would either improve the quality of peace officer candidates or solve an existing problem with its hiring practices.

POST Standards Are Not Mandatory. The department is *not required* to use the POST standards. In enacting Chapter 424, Statutes of 1984, the Legislature directed the department to use the POST standards as a general policy in establishing its pre-employment screening process, but *did not require* the Youth Authority to follow the standards.

Expanded Investigation Program Could Put Hiring Program in Jeopardy. We are concerned about the potential impact of the proposal on the department's ability to hire the large number of peace officer candidates that it will need in the current and budget years. Implementing a new psychological testing program and increasing by 64 percent the amount of time spent on each background investigation may unnecessarily delay the department's hiring efforts.

Our analysis of workload information submitted by the department indicates that given the number of peace officers that must be hired in the current and budget years, the pre-employment screening unit has a need for an additional 2.5 investigator positions assuming continued use of the 11-hour per investigation standard. This would require an augmentation of \$145,000 in the budget year.

Because the Youth Authority has failed to justify an *increase* in the amount of time spent on background investigations or a new psychological screening program for entry-level peace officer candidates, we recom-

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

mend that the Legislature reduce by \$462,000 the amount budgeted from the General Fund for expansion of the pre-employment screening program.

Parents Should Provide Financial Support for Youth Authority Wards

We recommend that the Legislature enact legislation requiring parents to pay some of the costs of supporting minors committed to the Youth Authority, for a potential General Fund savings of up to \$4.2 million, less administrative costs.

Existing law (Welfare and Institutions Code Section 903) requires the parent of a minor detained in a local juvenile facility pursuant to an order of the juvenile court, to reimburse counties for a portion of the costs they incur in supporting the minor. Parental liability is limited to actual costs for support up to a maximum charge of \$15 per day. "Support" includes expenses for food and food preparation, clothing, personal supplies, and medical expenses. Parents may not be charged for costs related to incarceration, supervision, and treatment. In addition, *only those parents with the ability to pay* may be charged for support of their child.

We surveyed a sample of counties regarding their care and maintenance charges and found that, on average, these counties charge parents approximately \$10 per day per minor. The charges range from \$4.54 in Los Angeles County to \$13.16 in San Diego County.

We know of no reason why parents of youth detained in state juvenile facilities should not be charged for support of their child as well, again provided they have the ability to pay. Accordingly, we recommend that the Legislature enact legislation specifically requiring parental payments for the support of juveniles committed to the Youth Authority.

Taking into account reimbursements currently received from the federal government for a portion of the Youth Authority's care and maintenance costs, our analysis indicates that approximately \$4.2 million could be recovered from parents for services such as food and food preparation, clothing, personal supplies, and medical expenses. This would require a parental charge of about \$2.53 per minor per day—an amount that is well below what the counties currently charge to parents, and less than 20 percent of what the state law authorizes the counties to charge.

In order to minimize the administrative costs of collecting these payments, we recommend that the Legislature direct the counties to collect the parental payments on behalf of the state. This legislation, of course, would have to authorize counties to offset their administrative costs from the amounts collected.

Enactment of the recommended legislation could result in potential General Fund savings of up to \$4.2 million annually, less administrative costs.

Preston Temporary Housing Plan Would Leave Wards Out in the Cold

We recommend a reduction of \$46,000 requested from the General Fund for additional security staff because the need for this staff will be mitigated through planned capital outlay modifications. We further withhold recommendation on the remaining \$131,000 requested from the General Fund for temporarily housing the infirmary services and pre-camp wards at the Preston School of Industry, pending receipt of a revised housing plan (Item 5460-001-001).

The department plans to renovate the infirmary building at the Preston School of Industry in 1986-87. It proposes to provide temporary quarters for the infirmary services and equipment, as well as temporary housing for 70 wards in the school's pre-camp program who currently are housed on the second floor of the infirmary building, in four new vocational education shops which will be constructed next year.

In its budget, the department requests \$177,000 from the General Fund to provide for (1) an additional group supervisor and youth counselor post to provide increased supervision during the 10 month construction process—\$98,000, (2) relocation of infirmary equipment to the new vocational shops—\$25,000, and (3) rental of a portable shower and toilet facility for the pre-camp wards—\$54,000.

Vocational Education Shops Are Behind Schedule. The department's temporary housing plan for the infirmary services and pre-camp wards rests entirely on the availability of four new vocational education shops, beginning in July 1986. According to the department, however, it will not *begin* construction of the shops until June 1986, and will not complete the project until February 1987. Consequently, the department's plan fails to provide for the housing needs of the infirmary services and pre-camp wards for the first eight months of the budget year. In addition, the plan overestimates the amount of time that additional staff will be needed for supervision of wards in the new vocational shops.

Additional Security Staff Is Not Needed. We also note that the department's budget request includes \$46,000 to provide an additional group supervisor post (about 1.6 personnel-years) for night supervision in the vocational education shops. The department justifies this increase in security staff on the basis that (1) the new shops will not be connected to the institution's security alarm system, and (2) the shop in which the wards will sleep will not have an enclosed youth counselor/night group supervisor cage for staff safety and security.

Department facilities planning staff, however, indicate that when completed, the new vocational education shops will be connected to the institutional alarm system, and each shop will have an enclosed workstation for vocational arts instructors that can be used as a youth counselor/night group supervisor cage to provide for secure separation of staff and wards. Consequently, the department's request can be reduced by \$46,000 because the additional group supervisor post will not be needed.

We are unable to recommend approval of the remainder of the department's budget request until these housing and staffing issues are resolved. We, therefore, withhold recommendation on the balance of \$131,000 requested from the General Fund, pending receipt of a revised plan for temporarily housing the infirmary services and pre-camp wards at the Preston School of Industry.

Institutional Search Team Proposal Needs Further Work

We recommend that the Legislature delete \$200,000 requested from the General Fund for institutional searches because the department has not substantiated the need for these searches at all of its institutions and camps (Item 5460-001-001).

The department requests \$200,000 in overtime funds to conduct intensive searches of all institutions and camps. The additional funds would be used to pay 10 security staff at each Youth Authority facility (excluding the Youth Training School which already budgets for such staff) to conduct intensive searches once every two weeks. The department indicates that

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

these searches will help reduce and control the flow of contraband and weapons into its facilities.

According to the department, intensive institutional searches currently are conducted only when a major ward disturbance or emergency occurs, or when a series of events indicates that such a search is warranted. The only institution which *regularly* conducts these searches is the Youth Training School. The overtime funds requested would permit the department to conduct such searches at all other institutions and camps.

The department justifies the proposed increase in overtime funds, primarily on the basis that the amount of contraband in all of its facilities has increased. The department, however, has been unable to substantiate either an increase in the amount of weapons and contraband in all its facilities, or an increase in ward disturbances and emergencies requiring intensive searches to be conducted with existing staff.

We also note that the Department of Corrections requests overtime funds in the budget year to conduct similar searches. In contrast to the Youth Authority's proposal, the Department of Corrections requests funding only to conduct such searches at San Quentin and Folsom State Prisons—the state's two maximum security institutions which the CDC indicates experience high levels of inmate violence. The Department of Corrections proposal targets the additional resources on those institutions where most security problems tend to occur, and does not request additional staffing for *all* facilities, in recognition that the amount of contraband, weapons, and disturbances may vary considerably.

Because the Youth Authority has failed to provide documentation of the need for intensive searches to be conducted at *all* of its institutions and camps, we recommend that the Legislature delete the \$200,000 in overtime funds requested for these searches. If such documentation becomes available, we will revise this recommendation accordingly.

Legislature Needs More Information on Information Systems Plan

We withhold recommendation on \$221,000 requested from the General Fund for information processing systems, pending receipt of various evaluation and status reports (Item 5460-001-001).

The budget proposes \$257,000 from the General Fund for the second-year implementation phase of the department's information systems plan. Total second-year implementation costs are estimated at \$891,000. These costs are partially offset by a savings of \$634,000, resulting primarily from implementing the information systems.

We are unable to recommend approval of the department's entire request because evaluation and status reports on certain information system components have not yet been transmitted to the Legislature.

Update on Information Systems Plan. A description and update on each of the six information systems components is presented below.

1. **Personnel Support.** In the current year, the department has begun integration of its personnel support system with the State Controller's Personnel Information Management System (PIMS). PIMS equipment has been placed at the department's central office and institutional personnel offices for connection with the Teale Data Center, at a cost of \$32,000. Second-year funding would provide for the department's prorated share of the equipment lease, maintenance and telecommunications services.

2. **Word Processing Support.** Funding provided in the current year has enabled the department to purchase equipment for complete implementation of word processing capabilities at several institutions. The second-year phase of the project provides for acquisition of additional workstations to complete implementation of this component.

3. **Ward Tracking.** A total of \$74,000 was provided in the current year to expand the existing Offender Based Institutional Tracking System (OBITS), in order to include information on parole actions, track administrative and disciplinary proceedings on individual wards, and make the system accessible to parole staff. First-year activities include replacement of obsolete terminals in the central office and institutions, and establishment of a "pilot" project to evaluate the parole aspect of the system. The results of the pilot will be transmitted to the Legislature by March 31, 1986.

Proposed second-year activities include installing terminals in all parole regional and unit offices and conservation camps.

4. **Materials Management.** The materials management component of the project would provide better inventory control and accountability at the department's institutions and camps through the use of an automated information system. First-year funding of \$36,000 has established a pilot project at the Preston School of Industry, the results of which will be transmitted to the Legislature by March 31, 1986.

The department requests second-year funding to acquire microcomputers to fully implement this system.

5. **Local Program Tracking.** By replacing obsolete equipment at headquarters and regional offices, this component of the project is designed to enhance the department's ability to monitor local juvenile facilities and delinquency prevention projects. In 1985-86, the department will use \$47,000 to purchase and install microcomputers in three regional offices. The department indicates, however, that the local program tracking project has been delayed because of "staff shortages" and requests only \$9,000 for system operation and development in the budget year.

6. **Community Resources Information.** The community resources component utilizes equipment from the local program tracking system to provide information on projects and services available to help young offenders. The department also indicates that this component has been delayed because of staff shortages. A status report on the local program tracking and community resources information components will be submitted to the Legislature by March 31, 1986.

LAO Recommendation. Based upon the department's progress in implementing the first phase of the information systems plan, we recommend that the Legislature approve funding for the PIMS integration and word processing support in 1986-87 (\$36,000). We withhold recommendation, however, on the requested balance (\$221,000), pending receipt and review of the department's pilot project evaluations of the ward tracking and materials management systems which are currently in progress, and the department's status report on its progress in implementing the local program tracking and community resources information systems.

Technical Budgeting Issues

We recommend that the General Fund appropriation be reduced by \$248,000 to eliminate overbudgeting, as follows:

- The department's equipment request can be reduced by \$76,000 because some items (1) were funded previously by the Legislature, (2) are doubled-budgeted, or (3) vary in price for no apparent reason.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

- The budget proposes \$44,000 for three “riding lawn mowers” despite the fact that the department could purchase less expensive mowers and expand the number of ward work assignments.
- A total of \$100,000 is included for various special repair emergency projects; the department, however, has provided no information to justify a “contingency” appropriation for special repairs.
- A total of \$50,000 is requested to study alternatives for renovating kitchen facilities at the Preston School of Industry. The department now indicates that the study can be completed at a cost of \$22,000, allowing a General Fund reduction of \$28,000.

No Funding for Physical Fitness Pay

We recommend that the department report to the fiscal committees before budget hearings on how it plans to fund physical fitness performance payments in the budget year, the estimated number of employees likely to qualify for such payments, and the estimated cost of these payments to the state in 1986–87.

We further recommend that the department report at budget hearings on the future benefits and potential savings of physical fitness pay (Item 5460-001-001).

Pursuant to a 1985–87 collective bargaining agreement, certain Department of the Youth Authority peace officer employees will be eligible to receive a bonus of \$65 per month (\$780 annually) if they are able to pass a physical fitness test. The agreement specifies that, effective January 1, 1987, Youth Authority youth counselors, group supervisors, parole agents, casework specialists, and medical technical assistants who have been members of the bargaining unit for at least five years, shall receive \$65 per pay period if they successfully complete a physical fitness test. In the event an employee fails the test on the first attempt, he or she has 60 days in which to successfully pass the test on a subsequent attempt.

Consequently, *the state must pay employees an additional \$780 per year simply because they are physically able to perform the jobs for which they were hired.* Those peace officers who are not physically able to perform their jobs do not get the bonus; they will only be paid their full salary.

The budget *does not* contain any funding to pay physical fitness bonuses to eligible Youth Authority employees. As a result, it is likely that the Director of Finance will be asked to authorize the creation of a deficiency for the department in 1986–87.

The Department of the Youth Authority indicates that this funding was not included in the budget because the state and the employee bargaining unit have not yet agreed upon the specific fitness testing standards which will be employed. Such information is needed in order to determine the number of eligible employees likely to pass the test and to develop a reasonable estimate of the cost to the state of the fitness incentive program.

Department of Personnel Administration (DPA) staff indicate that fitness standards should be completed by March 1986. Consequently, the Department of the Youth Authority will be able to determine the number of eligible employees likely to pass the test, and the amount of funds required for physical fitness pay, in time for hearings on its budget.

Accordingly, we recommend that the department report to the fiscal committees prior to budget hearings on how it plans to provide for this expenditure in 1986-87. The department should further report on the estimated number of employees who will qualify for the physical fitness bonus, and the amount of funds needed to provide for this expense in the budget year based upon the fitness standards that have been adopted.

Will Increased Physical Fitness Result in Savings? The DPA indicates that physical fitness incentive pay is intended to keep employees in better physical condition, thereby reducing sick leave and disability and stress-related retirement. For example, the DPA maintains that improved physical conditioning may result in cost savings by reducing the number of peace officer employees forced into early retirement because of physical or mental disabilities. In addition, the fitness testing program may reduce the amount of overtime and temporary help needed to fill security and counseling posts because of current sick leave practices.

In light of this, we further recommend that at the time of budget hearings, the Department of the Youth Authority report on the potential cost savings resulting from the physical incentive pay program.

LOCAL ASSISTANCE

The budget provides a total of \$72,357,000 from the General Fund for the Youth Authority's local assistance programs in 1986-87. This is an increase of \$1,332,000, or 1.9 percent, above estimated current-year expenditures. Table 4 provides a summary of local assistance funding, by program, for the past, current, and budget years.

As shown in the table, the change in expenditures from the current to the budget year arises entirely from a \$1,332,000, or 2 percent, cost-of-living-adjustment in the amount of money appropriated for block grants under the County Justice System Subvention Program (CJSSP). This adjustment is consistent with legislative intent to provide an annual cost-of-living increase for the CJSSP.

Table 4
Department of the Youth Authority
Local Assistance Programs
1984-85 through 1986-87
(dollars in thousands)

	Actual 1984-85	Est. 1985-86	Prop. 1986-87	Percent Change from 1985-86
County Justice System Subvention	\$64,068	\$66,632	\$67,964	2.0%
Delinquency prevention projects	2,194	2,284	2,284	—
Transportation of wards	79	95	95	—
Detention of parolees	2,013	1,514	1,514	—
Regional Youth Education Centers	—	500	500	—
Totals	\$68,354	\$71,025	\$72,357	1.9%

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY

Item 5460-301 from the General
Fund, Special Account for
Capital Outlay

Budget p. YAC 61

Requested 1986-87	\$12,945,000
Recommended approval	183,000
Recommended reduction	1,464,000
Recommendation pending	11,298,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Facilities Master Plan. Recommend that the Youth Authority provide to the Legislature by November 1, 1986 a comprehensive five-year facilities master plan. 1076
2. Withhold recommendation on \$10,370,000 requested for five projects (Table 2, page 1078), pending receipt of additional information. 1077
3. *Pre-Camp Facility—Preston School of Industry. Reduce Item 5460-301-036(3) by \$297,000.* Recommend deletion because the department should provide a comprehensive facilities master plan to the Legislature before this project is considered. 1079
4. *Living Unit and Education Facility—El Paso de Robles. Reduce Item 5460-301-036(5) by \$314,000.* Recommend deletion because the department should provide a comprehensive facilities master plan to the Legislature before this project is considered. 1079
5. *Public Service Living Unit—Ventura School. Reduce Item 5460-301-036(7) by \$275,000.* Recommend deletion because the department should provide a comprehensive facilities master plan to the Legislature before this project is considered. 1079
6. Minor Projects. Withhold recommendation on 14 minor projects (see Table 3, page 1080) costing \$928,000 under Item 5460-301-036(9), pending receipt of a statewide institutional security plan. 1079
7. *Minor Projects. Reduce Item 5460-301-036(9) by \$578,000.* 1080
Recommend deletion to eliminate or reduce funding for 11 projects that are not justified or are overbudgeted.

ANALYSIS AND RECOMMENDATIONS

The budget includes \$12,945,000 from the General Fund, Special Account for Capital Outlay, for eight major capital outlay projects and 30 minor projects (\$200,000 or less per project) for the Department of the Youth Authority (YA). These projects and our recommendations are discussed below.

Ward Population Increases Drive Department's Capital Outlay Budget

The department indicates that dramatic increases in the projected ward population will result in overcrowding at YA facilities. The department projects that the ward population will increase from 6,632 in June 1985 to 8,800 in June 1991, an increase of 33 percent. Moreover, if a proposed Youthful Offender Parole Board policy to increase wards' length-of-stay is adopted, the board projects that the ward population could increase to 9,250 by June 1991, an increase of 39 percent.

In response to these projections, the department has amended its five-year plan to include additional capital outlay projects. Table 1 outlines the YA's major capital outlay plan over the next five years.

Table 1
Department of the Youth Authority
Five-Year Major Capital Outlay Plan
Projected Expenditures and New Bed Capacity
1986-87 to 1990-91
(dollars in thousands)

<i>Number of New Beds (Location)</i>	<i>1986-87</i>	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>	<i>1990-91</i>	<i>Total Cost</i>	<i>Planned Occupancy</i>
100	\$2,253	—	—	—	—	\$2,253	January 1988
(Paso Robles Camp)							
100	4,586	—	—	—	—	4,586	January 1988
(Fred C. Nelles)							
18 ^a	2,407	—	—	—	—	2,407	January 1988
(Fenner Canyon Camp)							
100	314	4,547	—	—	—	4,861	Spring 1989
(Paso Robles School)							
100	297	3,571	—	—	—	3,868	Spring 1989
(Preston School)							
100	275	3,906	—	—	—	4,181	Spring 1989
(Ventura School)							
600	100	6,458	64,742	—	—	71,300	Fall 1990
(New Institution)							
2,400	—	12,024	273,176	—	—	285,200	Summer-Fall 1991
(New Institutions)							
16	—	—	—	1,323	—	1,323	Summer 1991
(Dewitt Nelson)							
Totals: 3,534 beds	\$10,232	\$30,506	\$337,918	\$1,323	—	\$379,979	—

^a Additional beds provided to existing capacity of 102.

Based on the department's data, the existing design capacity for all YA institutions is 5,915 beds. This figure does *not* include 51 beds that have been converted to offices or storage and 345 support beds used for detention (203) or hospital care (142).

Table 1 indicates that 3,534 beds will be added to the existing bed capacity by Fall 1991, bringing the total to 9,449 beds. This level of capacity exceeds the projected population by 199 beds (2 percent) if the parole board's policy is adopted and exceeds the baseline YA projection by more than 649 beds (over 7 percent).

As shown in Table 1, the department proposes to construct beds to house the projected increase in ward population through a capital outlay program costing nearly \$400 million. The department indicates that annual operating costs associated with this additional capacity could be \$92

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY—Continued

million, and equipment purchases connected with these facilities could exceed \$22 million.

In view of the large capital outlay and operating costs associated with the department's proposal to expand YA institutions, we have recommended in the *1986-87 Budget: Perspectives and Issues* that the YA evaluate other options for dealing with the anticipated increase in commitments. Specifically, we have recommended that the YA assess:

- early release programs for juvenile offenders
- special programs to reduce ward length-of-stay
- modification of parole consideration dates
- construction of additional bed capacity

We have recommended that the YA be directed to submit a report to the Legislature by November 1, 1986 on these and other alternatives for addressing the problem. The report would include an analysis of the full cost of each option, the effect of each option on the need to expand the state's YA institutions and the impact of these options on rehabilitation and public safety. Pending receipt of this information, we believe it would be premature for the Legislature to embark on a costly expansion of YA institutions.

Youth Authority Facilities Master Plan Needed

We recommend that the Youth Authority provide to the Legislature by November 1, 1986 a comprehensive facilities master plan that address the policies/objectives of the YA and reflects the results of the YA's assessment of the various options for dealing with the projected increases in commitments.

In conjunction with development of the report discussed above, the YA must develop a facilities master plan that responds to the policies and program needs of the department.

This facilities master plan must provide the Legislature with a complete, overall view of the YA policy/programs and resultant facility needs, and establish a link between these aspects of the plan and individual capital outlay projects. With this information, the Legislature can then assess the overall policies and objectives and determine how individual capital outlay projects meet the programmatic needs.

To be useful to the Legislature, the YA's facilities master plan should include, at a minimum:

- A framework of policies and objectives.
- The options available to meet the projected increase in commitments to the YA.
- A policy and a set of measures to address short-term overcrowding.
- Specific measures to alleviate excess overcrowding and the effect on programs.
- Specific options for reducing the commitments and lengths-of-stay and the effect on the population.
- Specific proposals for meeting anticipated requirements, given population projections.
- A list of projects, in priority order, and how each of the projects relates to the policies and objectives of the master plan.
- A time frame for authorization, planning, and construction of new projects.
- An assessment of what projects and/or actions would be needed if the

underlying assumptions, such as projected population, change over time.

This information will allow the Legislature to assess the policy and cost implications of the YA's short and long-range plans when considering individual projects. Without such a comprehensive plan, the Legislature will be placed in the same untenable position that it has found itself in with respect to the new prison programs which the Department of Corrections is implementing. As the Legislature is well aware, it has constantly been faced with the choice of either approving the individual projects which the department submits regardless of their policy and fiscal implications or leaving itself open to charges that it is delaying expansion of the prison system and contributing to a critical overcrowding situation. This Hobson's choice can be avoided if the department does an adequate job of planning and provides the Legislature with the information it needs to maintain policy control on a timely basis.

Consequently, we recommend that the YA provide to the Legislature by November 1, 1986 a comprehensive master plan which includes the features identified above. After the Legislature has had an opportunity to review the master plan, it will be better able to evaluate the YA's capital outlay needs.

A. PROJECTS FOR WHICH RECOMMENDATION IS WITHHELD

We withhold recommendation on \$10,370,000 requested under Items 5460-301-036 for five projects shown in Table 2, pending receipt of additional information.

The budget includes \$10,370,000 for five major capital outlay projects at three institutions, one camp, and statewide. These projects and our reasons for withholding recommendation on each are shown in Table 2. A discussion of the YA's plan for a new institution is provided below.

Pre-Planning for New Institution

The budget requests \$100,000 for site options, preparation of environmental reports, site suitability reports, architectural programs, and schematic designs for a new 600-bed youth institution.

The department's request for these aspects of pre-planning for a new institution is timely. The information generated from this pre-planning effort will give the Legislature the information it needs to assess sites for a new institution if the YA's report on options for dealing with the projected increase in commitments, as well as the facilities master plan (to be submitted November 1, 1986), indicate a need for a new institution.

While appropriating funds for this purpose prior to receipt of the report/master plan entails a risk that the funds will not be needed, we believe the potential pay-off is worth it. If the YA's report finds that a new institution is needed, appropriation of these funds would allow the project to proceed without delay by providing the necessary information to the Legislature much sooner than otherwise would be the case.

Additional information is needed to substantiate the amount budgeted. The department has not provided any data to substantiate the requested amount. Thus, we have no basis on which to recommend approval of the amount requested. Furthermore, the YA has not indicated where it plans to locate the proposed 600-bed institution.

Prior to budget hearings, the YA should advise the Legislature of the proposed location. In addition, we suggest that the Legislature provide sufficient funds to evaluate and obtain options on *three* sites, rather than

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY—Continued

one. This will give the YA and the Legislature alternative sites if the preferred site proves to be unacceptable.

We note that the estimated cost of the proposed institution is \$117,800 per bed (excluding site acquisition). This amount is more than \$20,000 *higher* than the Department of Corrections' estimated cost for a *maximum* security prison. The YA has provided no information to justify such a high cost. Given the significant differences in security requirements for maximum security prisons and youth authority facilities, the estimated cost of this facility should be substantially less. Accordingly, we suggest that before funds are appropriated for planning, the YA should reevaluate the estimated future cost of the project and resubmit a more reasonable estimate.

In summary, we withhold recommendation on the \$100,000 requested for pre-planning pending receipt of (1) a detailed cost estimate for all pre-planning activities, including the cost to evaluate and obtain options on three sites and (2) a revised cost estimate for the proposed institution.

Table 2
Department of the Youth Authority
1986-87 Major Capital Outlay Program
Projects for Which the Legislative Analyst
is Withholding Recommendation
Item 5460-301-036
(dollars in thousands)

<i>Sub Item</i>	<i>Project Title</i>	<i>Location</i>	<i>Phase^a</i>	<i>Budget Bill Amount</i>	<i>Estimated Future Cost^b</i>	<i>Reason for Withholding Recommendation</i>
1	Pre-Planning for New 600-bed Institution	Unspecified	s	\$100	\$71,200	Pending additional information.
2	Renovate Infirmary Building	Preston School of Industry	c	1,024	—	Pending explanation of why the request exceeds cost previously recognized by the Legislature.
4	Youth Conservation Camp	El Paso de Robles School	wc	2,253	—	Pending explanation of why the request exceeds cost previously recognized by the Legislature.
6	Living Unit and Education Facility	Fred C. Nelles School	wc	4,586	—	Pending (a) preliminary plans and (b) explanation of why the request exceeds cost previously recognized by the Legislature.
8	Replace Barracks	Fenner Canyon Camp	wc	2,407	—	Pending (a) preliminary plans and (b) explanation of why the request exceeds cost previously recognized by the Legislature.
Totals				\$10,370	\$71,200	

^a Phase symbols indicate: s = studies; p = preliminary planning; w = working drawings; and c = construction.

^b Department estimate.

B. RECOMMENDED REDUCTIONS/DELETIONS

We recommend that the Legislature delete Items 5460-301-036(3), (5), and (7) for new Youth Authority facilities at the Preston School of Industry, El Paso de Robles School and the Ventura School because (1) until the department has completed a comprehensive facilities master plan, the request is premature and (2) deferral of funding these projects will not jeopardize the YA's planned occupancy date, for a reduction of \$886,000 (potential future savings: \$12 million).

The budget includes \$886,000 for preliminary planning and working drawing funds for three new 100-bed facilities at the Preston School of Industry (Pre-Camp), El Paso de Robles (living unit) and Ventura School (living unit).

As already discussed in this analysis, the Legislature needs additional information before it can decide whether to proceed with further expansion of the YA institutions. Pending receipt of this information, the need to construct new institutions and/or expand existing institutions cannot be determined. Consequently, we recommend that the Legislature delete the funds requested for additional capacity at Preston, El Paso de Robles and Ventura—a reduction of \$886,000. Deferring the appropriation of funds for these projects for one year should not cause the YA to miss the scheduled occupancy date for these projects if they turn out to be needed.

The YA plans to occupy the proposed facilities in January–June 1989—30 to 36 months after planning funds are appropriated. We note that the Department of Corrections is planning to design and construct three 500-bed prototypical housing units “quick build” facilities within one year. Surely, the administration could construct 300 beds for the YA within the same time frame. Thus, the Legislature could provide funds for the projects in 1987–88—once it has determined if additional beds are needed and where they should be located—and the housing units could then be completed at least *six months earlier* than the YA's current schedule. The associated program space would be available on the YA's current schedule.

Minor Projects

The budget includes \$1,689,000 for 30 minor projects. Our analysis indicate that five projects costing \$149,000 are justified and should proceed. Our recommendations on the remaining projects are provided below.

Statewide Security Plan Should Be Developed

We withhold recommendation on \$928,000 requested for 14 minor projects under Item 5460-301-036(9), pending receipt of a detailed security plan.

The budget includes \$928,000 for 14 minor capital outlay projects relating to the security needs of various institutions. Table 3 summarizes these project requests.

The 1985 Budget Act appropriated \$406,000 to the YA for various security projects at institutions and camps statewide. For 1986–87, the YA is requesting another \$928,000. In addition, the department has increased its current-year security personnel by 38 personnel years.

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY—Continued

Table 3

**Department of the Youth Authority
1986-87 Minor Capital Outlay Security Projects
for Which the Legislative Analyst is
Withholding Recommendation
(dollars in thousands)**

<i>Project</i>	<i>Location</i>	<i>Request</i>
Perimeter Fence Detection System	Karl Holton School	\$178
Additions to the Security Fence	Southern Reception Center and Clinic	33
Perimeter Fence Detection System	Ventura School	178
Closed Circuit TV	Preston School of Industry	4
Perimeter Fence Security Alarm	El Paso de Robles School	178
Security Fence Detection System	Southern Reception Center and Clinic	63
School Corridor Security Enclosures	O.H. Close School	5
Night School Emergency Lighting	Ventura School	36
Improve Security Lighting	Oak Glen Camp	10
Generators for Administration and Front Field ...	Youth Training School	84
Anchor Beds and Desks	Southern Reception Center and Clinic	45
Kitchen Emergency Generator	Northern California Youth Center	35
Audio Surveillance/Public Address System	Oak Glen Camp	5
TAC-Team Ready Room	Fred C. Nelles School	74
Totals		\$928

Although the YA is increasing its institutional security, it has not provided any information indicating (1) the department's statewide policy regarding security requirements at existing institutions, (2) the particular security problems of individual institutions, (3) how the proposed facilities improvements address these security problems or (4) the interrelationship between physical improvements and the need for additional staff. The Legislature, therefore, does not have the proper information it needs to assess which measures are effective and necessary to meet the security needs of the YA.

Prior to budget hearings the YA should develop and submit to the Legislature a comprehensive security plan that outlines specific needs for security modifications, equipment, and personnel. This plan should address at a minimum:

- the requirements and rationale for internal, perimeter, and external security (physical facilities and staff),
- funding needed for each aspect of the plan,
- the current status of each institution with regard to security needs, and
- a schedule for bringing each institution into compliance with the department's security policy.

Pending receipt of this plan, we withhold recommendation on the \$928,000 requested for security related modifications.

Budget For Eleven Minor Projects Should Be Deleted or Modified

We recommend that the Legislature reduce Item 5460-301-036(9) by \$578,000 to eliminate funding for 11 projects that either are not justified, are overbudgeted, or include elements which are not necessary.

The budget requests \$761,000 for 16 non-security related projects. Our analysis indicates that 11 of these projects are not justified or should be reduced in cost. These projects are as follows:

- *We recommend deletion of \$9,000* to construct a concrete slab and shed cover for a garbage truck wash rack at the Northern California

Youth Center, Sacramento, because the department has provided no information to justify the need for this work or the amount requested.

- ***We recommend deletion of \$76,000*** to expand the warehouse at the Mt. Bullion Youth Conservation Camp in Mariposa County. The proposed addition would include approximately 1,000 square feet of additional warehouse space. The department has not provided information to substantiate problems at the existing facility or the requested amount.
- ***We recommend deletion of \$146,000*** for a 2,000 square foot modular office building (\$105,000) and a 46-space parking lot (\$31,000) at the Youth Training School in Chino. The building would provide office space for the Chief of Institutions, South, transportation staff, plus a file room, restrooms, and a conference room. The staff currently are housed at the institution and the department has not justified the expenditure of \$105,000 to relocate the staff. Moreover, the department has not substantiated the need for an additional 46 parking spaces.
- ***We recommend deletion of \$17,000*** for a shower room ceiling project at the Preston School of Industry in Ione because it is not clear that the proposed project will alleviate the problems cited by the YA. The department indicates that visibility is restricted because of steam accumulation in the shower rooms. The department, however, has not indicated how its proposal to lower the ceiling will solve this problem.
- ***We recommend a reduction of \$4,000*** for a project to alter space to accommodate word processing functions at the O.H. Close School, Stockton, because funds to purchase furnishings (\$4,000) should be funded from the department's equipment budget, on a priority basis.
- ***We recommend deletion of \$76,000*** to expand the visiting room at the Mt. Bullion Youth Conservation Camp in Mariposa County because the department has provided no information to substantiate the need for additional visiting area or problems with the existing facility.
- ***We recommend deletion of \$189,000*** for water system improvements at the Youth Training School, Chino. The department has not provided any information to substantiate that there are water problems at this institution.
- ***We recommend a reduction of \$67,000*** for two projects to install modesty shields at the DeWitt Nelson Training Center (\$35,000) and the Preston School of Industry (\$32,000) because the proposed work is overbudgeted. Based on published construction cost estimates for similar work, the department's request for DeWitt Nelson (\$59,000) is overbudgeted by \$35,000. The Preston School of Industry project (\$37,000) is overbudgeted by \$32,000.
- ***We recommend deletion of \$4,000*** for modesty shields at the Pine Grove Youth Conservation Camp in Pine Grove because the department has not provided information which describes the work to be performed or the basis for the estimated cost.

Supplemental Report Language

For purposes of project definition and control, we recommend that the fiscal committees adopt supplemental report language which describes the scope of each of the capital outlay projects approved under this item.
