

**YOUTH  
AND  
ADULT  
CORRECTIONAL**

**DEPARTMENT OF CORRECTIONS**

Item 5240 from the General  
Fund and various funds

Budget p. YAC 1

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Requested 1991-92.....	\$2,648,798,000
Estimated 1990-91 .....	2,315,674,000
Actual 1989-90 .....	1,962,009,000
Requested increase \$333,124,000 (+ 14.4 percent)	
Total recommended net reduction .....	3,698,000
Recommendation pending .....	188,527,000

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**1991-92 FUNDING BY ITEM AND SOURCE**

Item—Description	Fund	Amount
5240-001-001—Support	General	\$2,412,312,000
5240-001-751—Support	1990 Prison Construction	31,472,000
5240-001-890—Support	Federal Trust	217,000
5240-001-917—Support	Inmate Welfare	35,629,000
5240-003-001—Revenue bond payments	General	118,634,000
5240-101-001—Local assistance	General	25,829,000
Reimbursements	—	24,705,000
Total		<u>\$2,648,798,000</u>

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**SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS**

*Analysis  
page*

**Institutions Program**

1. California's Continuing Prison Dilemma. The inmate population continues to grow at an unprecedented rate. Without actions to control this growth it will not be possible to significantly reduce expenditures. 840
2. Inmate Population Growth. Withhold recommendation on \$160.7 million for inmate population growth, pending analysis of revised budget proposal, population projections, and construction schedule in the May revision. 849
3. Substance Abuse Treatment Pilot Program. Recommend adoption of Budget Bill language directing the Department of Corrections (CDC) to (a) identify inmates at all reception centers who are eligible to participate in the program, and (b) maintain a centralized list of inmates identified and approved for the program. 850
4. Federal Substance Abuse Treatment Grants. Recommend adoption of supplemental report language directing the CDC to enter into a memorandum of understanding with the Department of Alcohol and Drug Programs (DADP) in order for the DADP to assist the CDC in (a) improving the quality of future grant proposals, and (b) identifying additional grants for substance abuse programs. 851
5. Medical Care Administration. Recommend adoption of Budget Bill language limiting the use of funds budgeted for 854

**DEPARTMENT OF CORRECTIONS—Continued**

medical care for other unspecified purposes.

6. Reduction of Mental Health Hospital Beds. Recommend that the CDC and the Department of Mental Health report to the Legislature during budget hearings on a coordinated plan for providing mental health treatment to inmates who will be displaced from state hospital beds as a result of construction within the state hospital system. 854
7. *Restitution/Work Furlough Center. Reduce Item 5240-001-001 by \$413,000.* Recommend reduction for support of the Central City Community Center facility because of overbudgeting. 855

**Community Correctional Program**

8. Parole Population Growth. Withhold recommendation on \$16.8 million for parole population growth, pending analysis of revised population projections in the May revision. 857
9. Parole Revocation Criteria. Recommend adoption of supplemental report language requiring the CDC to establish specific criteria for parole revocation decisions. 857
10. *Substance Abuse Revocation Diversion (SARD) Program. Reduce Item 5240-001-001 by \$5,538,000 and augment Item 4200-101-001 by \$5,538,000.* Recommend funds proposed for program be redirected to the DADP to provide public treatment services to parolees. Further recommend adoption of supplemental report language specifying how the funds will be used. 858
11. Case Management Services Plan. Recommend that the CDC report during budget hearings on a plan to improve the case management of parolees with substance abuse problems. 861
12. *Detention of Parolees in County Jails. Reduce Item 5240-101-001 by \$2,336,000.* Recommend deletion of proposed increase for detention of parolees in county jail because amount is not justified. 862
13. Outpatient Psychiatric Services for Parolees. Withhold recommendation on \$8.3 million proposed for Parole Outpatient Clinic (POC) Program, pending receipt of information on how services are currently being provided by the POC and details of a proposed reorganization of the program. 862

**Administration Program**

14. Programs Supported by Bond Funds. Recommend that the CDC report during budget hearings on how the department intends to fund support and capital outlay functions currently funded from bond funds once those funds are exhausted. 864
15. *Construction Staffing. Reduce Item 5240-001-751 by \$667,000.* Recommend reduction because proposed positions are not justified on a workload basis. 864

16. Construction Claims. Withhold recommendation on \$2.5 million, pending receipt of additional information. 866
17. Unallocated Reduction. Recommend the department report, prior to budget hearings, on its plan to absorb the unallocated General Fund reduction of \$55.2 million. 866
18. *Proposition 139 Implementation. Reduce Item 5240-001-001 by \$282,000.* Recommend reduction because requested amount is overbudgeted. Further recommend the adoption of supplemental report language requiring the CDC to report annually on the implementation and success of the program. 867
19. Maintenance at McGee Correctional Training Facility. Withhold recommendation on \$355,000 requested for maintenance and janitorial work, pending receipt of additional information. 869

#### GENERAL PROGRAM STATEMENT

The California 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.* Currently, the department operates 21 institutions including a medical facility and a treatment center for narcotic addicts under civil commitment. The department also operates 41 fire and conservation camps.

Major programs conducted in the institutions include 78 prison industry programs and 10 agricultural enterprises which seek to reduce idleness and teach good work habits and job skills. Programs also include vocational training in various occupations, academic instruction ranging from literacy to college courses, and group and individual counseling.

*Community Correctional 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 as well as services to parolees 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 has 28,367 personnel-years in the current year.

**DEPARTMENT OF CORRECTIONS—Continued****MAJOR ISSUES**

- The prison inmate population continues to increase at an unprecedented rate, resulting in a proposed General Fund increase of 14 percent for the Department of Corrections in 1991-92 — the largest of any major state department.
- Without action to control inmate population growth, it will not be possible to significantly reduce expenditures for the department. Options that would have the most impact in controlling inmate population growth would have little impact until after 1991-92.
- The Department of Corrections' efforts to provide substance abuse treatment to inmates have been weak. The department should work with the Department of Alcohol and Drug Programs to improve treatment capabilities.
- Administration of the department's inmate medical care system needs improvement.
- The department should develop guidelines for parole agents to use when they consider revoking parole and returning a parolee to prison.
- The Substance Abuse Revocation Diversion (SARD) Program has been unsuccessful at reducing recidivism among parolees. Funds proposed to continue the program should be redirected to the Department of Alcohol and Drug Programs to provide additional treatment services to parolees.

## **MAJOR ISSUES—Continued**

- The Parole Psychiatric Outpatient Program has suffered from a number of administrative problems. Although the department is proposing to reorganize the program, there are many unanswered questions.
- The department will likely run out of bond funds in 1992-93 to support new prison construction and maintenance and repair.

### **OVERVIEW OF THE BUDGET REQUEST**

The budget proposes the expenditure of \$2.6 billion from various funding sources for support of the CDC in 1991-92, as shown in Table 1. This represents an increase of \$333 million, or 14 percent, above estimated current-year expenditures. Over one-half of this increase is due to projected inmate and parole population increases with most of the remainder attributable to staff salary and benefit increases.

**Table 1**  
**Department of Corrections**  
**Budget Summary**  
**1989-90 through 1991-92**  
**(dollars in thousands)**

<i>Program</i>	<i>Actual</i> <i>1989-90</i>	<i>Est.</i> <i>1990-91</i>	<i>Prop.</i> <i>1991-92</i>	<i>Change From</i> <i>1990-91</i>	
				<i>Amount</i>	<i>Percent</i>
Institutions.....	\$1,759,722	\$2,111,131	\$2,462,857	\$351,726	16.7%
Community Corrections.....	202,287	204,543	241,142	36,599	17.9
Administration (distributed).....	(127,178)	(148,424)	(154,566)	(6,142)	4.1
Unallocated reduction.....	—	—	-55,201	-55,201	— <sup>a</sup>
Totals, Expenditures.....	\$1,962,009	\$2,315,674	\$2,648,798	\$333,124	14.4%
<b>Funding Sources</b>					
<i>General Fund</i> .....	\$1,891,652	\$2,237,624	\$2,556,775	\$319,151	14.3%
<i>1988 Prison Construction Fund</i> .....	23,272	—	—	—	—
<i>1990 Prison Construction Fund</i> .....	—	30,949	31,472	523	1.7
<i>Federal Trust Fund</i> .....	481	369	217	-152	-41.2
<i>Inmate Welfare Fund</i> .....	25,049	30,531	35,629	5,098	16.7
<i>Reimbursements</i> .....	21,555	16,201	24,705	8,504	52.5
<b>Personnel-Years by Program</b>					
Institutions.....	21,498	24,880	27,957	3,077	12.4%
Community Corrections.....	1,901	2,309	2,713	405	17.5
Administration.....	1,109	1,179	1,216	37	3.1
Totals, Personnel-Years.....	24,508	28,367	31,886	3,519	12.4%

<sup>a</sup> Not a meaningful figure.

**DEPARTMENT OF CORRECTIONS—Continued**

**Current-Year Deficiency.** Expenditures shown in Table 1 for the *current year* include a net deficiency request of \$8.1 million from the General Fund. This amount includes an increase of \$7.9 million for greater-than-estimated inmate populations, \$2.3 million for the community-based bed program, \$800,000 for medication and special housing units for inmates who are infected with the HIV virus, and \$280,000 to implement the Prison Inmate Labor Initiative of 1990. The increases are partially offset by \$1.9 million in savings in parole supervision costs due to a lower-than-estimated number of parolees, and \$1.3 million in contract savings for the institution camp program.

Expenditures shown in Table 1 for the current year also reflect a Bond Fund deficiency request of \$249,000 for increased workload in the new prison construction support functions and a savings of \$317,000 in the Inmate Welfare Fund.

**General Fund.** The budget proposes expenditures of \$2.6 billion from the General Fund for support of the department in 1991-92. This is an increase of \$319 million, or approximately 14 percent, above estimated current-year expenditures (including the deficiency request).

**Other Funds.** In addition, the budget includes the following amounts: (1) \$35.6 million from the Inmate Welfare Fund for special inmate programs and (2) \$31.5 million from the 1990 Prison Construction Fund for support of the department's prison construction and maintenance program and for certain activities related to the activation of new prisons and special repair of existing prisons.

**Proposed Changes.** The budget includes \$177.5 million to provide additional staffing and related operating expenses and equipment to accommodate the projected increase in inmate and parolee populations during 1991-92. As shown in Table 2, the amount consists of \$160.7 million for housing additional inmates, and \$16.8 million for supervising additional parolees.

**Table 2**  
**Department of Corrections**  
**Proposed 1991-92 Budget Changes\***  
(dollars in millions)

	General Fund	1990 Bond Funds	Federal Trust Fund	Inmate Welfare Fund	Reimburse- ments	Total
1990-91 Expenditures (Revised) .....	\$2,237.6	\$30.9	\$0.4	\$30.5	\$16.2	\$2,315.7
Proposed Changes:						
<i>Workload Adjustments</i>						
Inmate Population .....	\$155.0	—	-\$0.2	\$5.8	\$0.1	\$160.7
Parole Population .....	16.8	—	—	—	—	16.8
Section 3.80 restoration .....	18.0	—	—	—	—	18.0
Lease payment increase .....	24.9	—	—	—	—	24.9
Local assistance .....	2.3	—	—	—	—	2.3
Subtotals .....	(\$217.0)	(—)	(-\$0.2)	(\$5.8)	(\$0.1)	(\$222.7)
<i>Cost Adjustments</i>						
Benefit adjustments .....	\$63.9	—	—	\$0.2	—	\$64.1
Full-year costs .....	124.0	—	—	0.3	\$0.1	124.4

Limited-term positions.....	-1.0	—	—	—	—	-1.0
One-time cost reduction.....	-29.7	—	—	-1.3	—	-31.0
Unallocated reduction (support) ..	-54.1	—	—	—	—	-54.1
Unallocated reduction (local assistance).....	-1.1	—	—	—	—	-1.1
Subtotals .....	(\$102.1)	(—)	(—)	(-\$0.8)	(\$0.1)	(\$101.4)
<i>Program Adjustments</i>						
Inmate Program .....	-\$0.1	—	—	\$0.1	\$8.3	\$8.3
Administration Program .....	0.2	\$0.6	—	—	—	0.8
Subtotals .....	(\$0.1)	(\$0.6)	(—)	(\$0.1)	(\$8.3)	(\$9.1)
1991-92 Expenditures (Proposed)....	\$2,556.8	\$31.5	\$0.2	\$35.6	\$24.7	\$2,648.8
Changes From 1990-91:						
Amount.....	\$319.2	\$0.5	-\$0.2	\$5.1	\$8.5	\$333.1
Percent.....	14.3%	1.9%	-50.0%	16.7%	52.5%	14.4%

<sup>a</sup>Details may not add to totals due to rounding.

**Unallocated Reductions.** The Governor's Budget includes an unallocated trigger-related General Fund reduction of \$55.2 million in funding for the department in 1991-92. This reduction is included in the proposed budget for the CDC in lieu of the reduction that would otherwise be made pursuant to Ch 458/90 (AB 2348, Willie Brown).

In addition to the unallocated trigger-related reduction, Table 2 also shows an increase of \$18 million for restoration of unallocated reductions made in the current year. Specifically, Control Section 3.80 of the 1990 Budget Act permitted the Director of Finance to reduce appropriations for most General Fund items by up to 3 percent. The Director reduced the CDC's General Fund support by \$43.8 million in the current year. The Budget Bill proposes to restore \$18 million of this amount in 1991-92.

We discuss the unallocated trigger-related reduction and the restoration of the current-year reduction later in this analysis.

## ANALYSIS AND RECOMMENDATIONS

### INSTITUTIONS PROGRAM

The budget proposes expenditures of \$2.5 billion for the Institutions Program in 1991-92, an increase of \$351.7 million, or 17 percent, above the current-year estimate. The amount primarily includes costs for inmate population growth and new prison activation. There are no significant program adjustments.

**Inmate Population Increases.** The department projects that California's inmate population will continue to increase during 1991-92, as shown in Table 3. The table shows that the total population is projected to increase by 12 percent, from 105,898 at the end of the current year to 118,608 at the end of the 1991-92.

**DEPARTMENT OF CORRECTIONS—Continued**

**Table 3**  
**Department of Corrections**  
**Inmate Population**  
**June 1990 through June 1992**

	<i>Actual</i> 6/30/90	<i>Estimated</i> 6/30/91	<i>Projected</i> 6/30/92	<i>Percent Increase from 6/30/91</i>
Male felon.....	84,635	95,645	106,982	11.9%
Male nonfelon and others.....	2,800	2,960	3,311	11.9
Female felon.....	5,736	6,570	7,505	14.2
Female nonfelon and others.....	639	723	810	12.0
Totals.....	93,810	105,898	118,608	12.0%

**Inmate Housing Plan.** Table 4 displays the department's plan for housing the additional inmates in the budget year, as well as the system's budgeted bed capacity for the current and prior years. The table shows that during 1991-92, 6,023 new beds are planned for activation and 6,290 beds will be added through overcrowding.

**California's Continuing Prison Dilemma**

*The prison inmate population and budget for the Department of Corrections continue to grow at unprecedented rates. The inmate population is expected to increase by 63 percent during the next five years. Without actions to control this population growth, it will not be possible to significantly reduce expenditures. There are a number of alternatives available to the Legislature to control the inmate population — most of the options, however, would have little impact until after 1991-92.*

The budget for the CDC continues to be the fastest growing budget of any major department in state government. The department's requested 14 percent increase in General Fund expenditures for 1991-92 is the largest of any major department in the Governor's Budget. In this analysis, we provide an overview of what is contributing to the increase and review some of the Legislature's options for dealing with the growth.

**Proposed Budget is Actually Below Current Services Level.** Even with a 14 percent funding increase, we estimate that the proposed budget for the CDC is *not* fully funded relative to current services funding requirements. That is, the proposed budget will actually fund fewer services than are funded in the current year. We estimate that in order to fully fund the department's workload requirements, the increase would have to approach 18 percent, or almost \$90 million more than the amount proposed. Nevertheless, the CDC comes closest to being fully funded when compared to other major state departments that are supported by the General Fund, such as the Departments of Education, Health Services, Mental Health, Social Services, as well as the University of California and the California State University.

**Table 4**  
**Department of Corrections**  
**Inmate Housing Plan**  
**1989-90 through 1991-92**

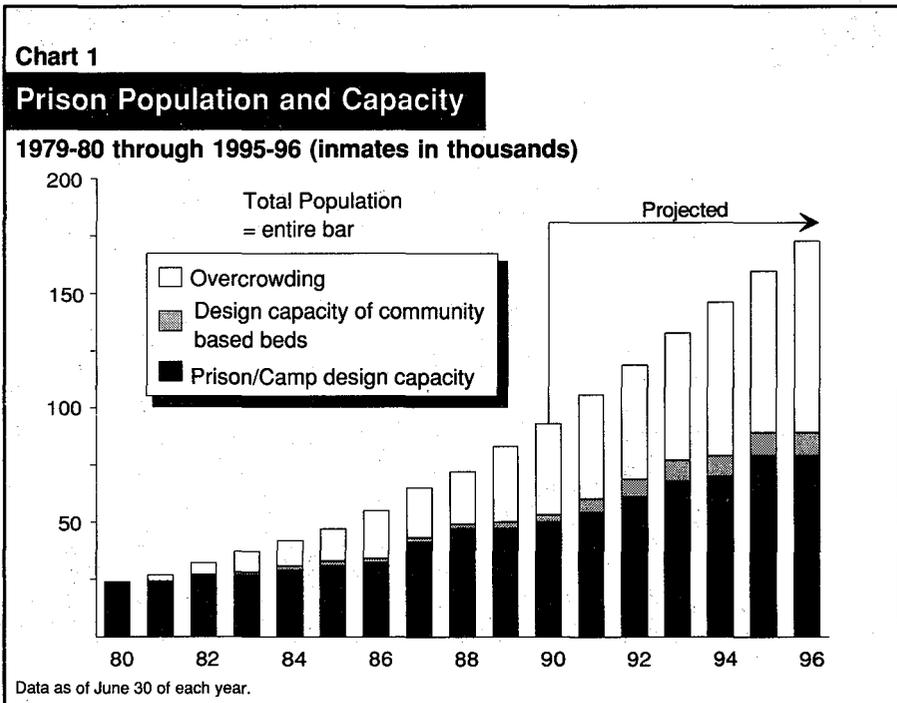
Institution	County	1989-90	1990-91		Budgeted Capacity	1991-92		Budgeted Capacity
		Budgeted Capacity	New Beds	Over-Crowding		New Beds	Over-Crowding	
<i>New Institutions</i>								
California State Prison, Imperial County	Imperial	—	—	—	—	2,200	2,000	4,200
California State Prison, Wasco	Kern	—	1,150	600	1,750	1,310	1,784	4,844
California State Prison, Delano	Kern	—	—	—	—	2,468	1,504	3,972
Central California Women's Facility (CCWF)	Madera	—	2,000	546	2,546	—	836	3,382
<i>Existing Institutions</i>								
Avenal State Prison (Avenal)	Kings	4,600	—	696	5,296	—	208	5,504
California Correction Center (CCC)	Lassen	3,957	—	—	3,957	—	—	3,957
California Correctional Institution (CCI)	Kern	5,775	—	128	5,903	—	—	5,903
California Institution for Men (CIM)	San Bernardino	6,285	—	155	6,440	—	—	6,440
California Institution for Women (CIW)	San Bernardino	2,538	—	-636	1,902	—	50	1,952
California Medical Facility (CMF)	Solano	7,604	—	702	8,306	—	—	8,306
California Mens Colony (CMC)	San Luis Obispo	6,444	—	—	6,444	—	—	6,444
California Rehabilitation Center (CRC)	Riverside	4,748	—	—	4,748	—	—	4,748
California State Prison, Corcoran	Kings	4,779	—	1,007	5,786	—	-100	5,686
California Training Facility (CTF)	Monterey	6,008	—	218	6,226	—	—	6,226
Chuckawalla Valley State Prison (CVSP)	Riverside	2,904	—	288	3,192	—	—	3,192
Deuel Vocational Institute (DVI)	San Joaquin	3,346	—	-200	3,146	—	—	3,146
Folsom State Prison	Sacramento	6,864	—	520	7,384	—	—	7,384
Mule Creek State Prison (MCSP)	Amador	3,738	—	100	3,838	—	-100	3,738
Northern California Women's Facility (NCWF)	San Joaquin	760	—	—	760	—	—	760
Pelican Bay State Prison	Del Norte	2,880	—	1,264	4,144	—	—	4,144
Richard J. Donovan Correctional Facility (RJD)	San Diego	4,494	—	344	4,838	—	-100	4,738
San Quentin State Prison	Marin	5,605	—	49	5,654	5	-54	5,605
Sierra Conservation Center (SCC)	Tuolumne	3,854	—	—	3,854	—	150	4,004
All Camps	various	3,792	204	72	4,068	40	112	4,220
Unallocated		-845	—	—	-845	—	—	-845
<b>Totals</b>		<b>90,130</b>	<b>3,354</b>	<b>5,853</b>	<b>99,337</b>	<b>6,023</b>	<b>6,290</b>	<b>111,650</b>

**DEPARTMENT OF CORRECTIONS—Continued**

*No Immediate End in Sight to Dramatic Prison Population Increases.* As Table 3 shows, the inmate population is expected to reach almost 119,000 by the end of 1991-92. The department estimates that in the absence of any law changes, the population will continue its unprecedented growth, reaching 173,000 inmates by 1995-96 — an increase of 63 percent in five years. This increase cannot be attributed to population and demographic changes. For example, in 1979-80, the number of male felon admissions to prison for every 100,000 persons in the 18-to-49 age group was 86.2. By 1989-90, admissions had climbed to 246.7 per 100,000 people, an increase of almost 300 percent.

To the extent that the Legislature enacts legislation which results in more persons going to prison, or increases the prison terms of certain crimes, the prison population will exceed the estimates discussed above (we address the impact of legislation on the prison population in more detail below).

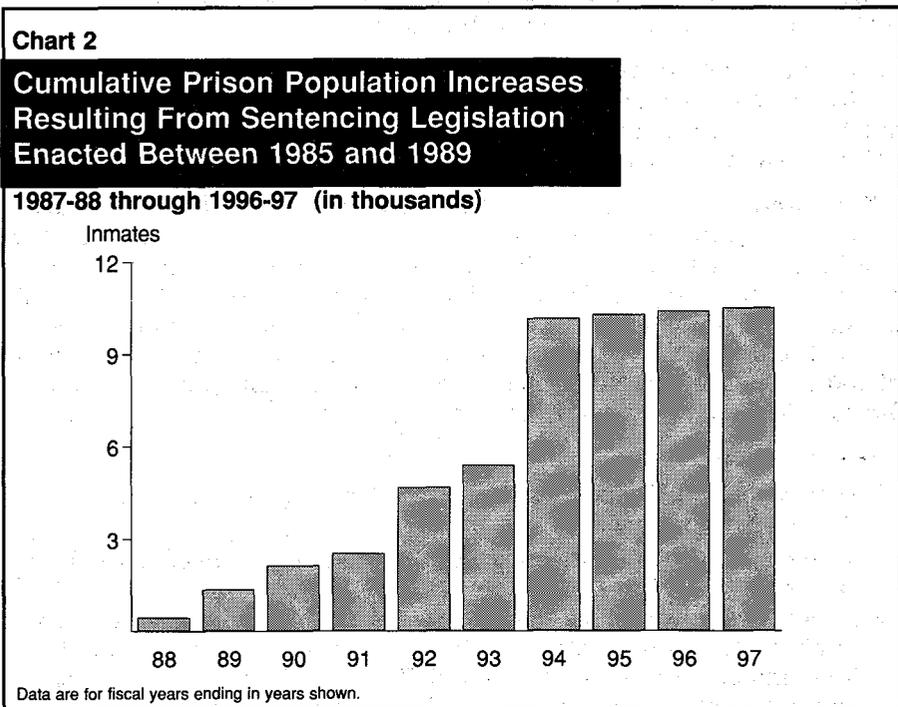
*Despite an Unprecedented Building Program, Prisons are Still Overcrowded.* In the past 10 years, the Legislature has appropriated \$3.8 billion to construct 48,000 new prison beds. However, because the prison population has grown at an even faster rate, prisons are relatively more overcrowded today than they were before the new prison construction program began in 1982. State prisons are currently operating at approximately 177 percent of design capacity. Chart 1 shows the prison inmate population and design capacity (including community-based beds) from 1980-81 through 1995-96.



### Why Does the Prison Population Continue to Grow?

There are many reasons for the continuing growth in the prison inmate population. Some are tangible, such as changes in sentencing laws and policies, while others are less tangible and result from societal changes. We describe some of the most significant tangible factors contributing to the growth below.

**Sentence Increases through Legislation.** One of the most easily identified causes of growth in the prison population are changes in legislation that affect criminal sentences. Chart 2 summarizes the effect on the prison population of the *major* sentencing legislation chaptered between 1985 and 1989. As the chart shows, more than 4,000 prison beds will be filled in 1991-92 as a result of this legislation. (For a number of reasons, this estimate is probably conservative.) This accounts for over two-thirds of the new prison beds planned for activation in the budget year.



There are two ways that legislation typically increases prison sentences, including:

- Increases in the *sentence length*. For instance, the penalty for a specific crime may be directly increased from three years to five years. Alternatively, penalties can be increased by a *sentence enhancement* for particular aspects of a crime. For instance, a firearms enhancement might add an additional penalty of one to five years to the sentence for a robbery if the robbery was committed with a firearm.

**DEPARTMENT OF CORRECTIONS—Continued**

- *Upgrade Criminal Penalties.* In this case, a misdemeanor punishable by a sentence in the county jail may be increased to an alternate misdemeanor/felony, in which case an individual may be sentenced to county jail or state prison. Also, a crime that is currently a misdemeanor or an alternate misdemeanor/felony can be upgraded to a felony in which case the only option is a prison sentence. Finally, probation can be prohibited for a felony, thus requiring that the crime be punishable only by a prison sentence.

*Parole Revocations and Recidivism.* Many of the inmates currently serving time in the prisons are parole violators. These are inmates who have served their sentences, been released on parole, and are then returned to prison for some reason. Parole violators are typically recommitting to a prison for a short period of time and represent a significant proportion of the institution population (we discuss a number of issues related to parole violators later in this analysis).

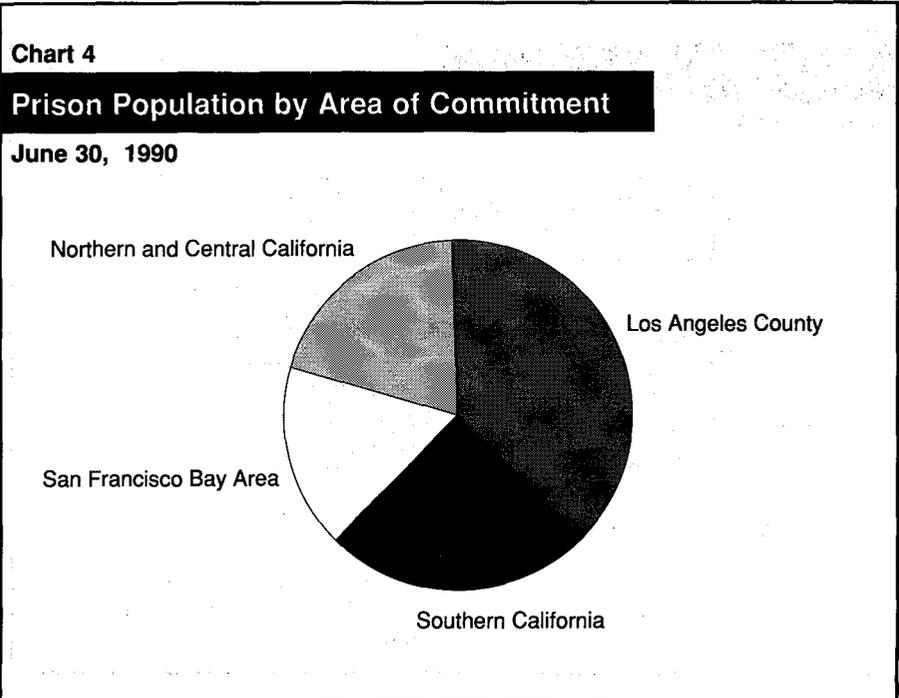
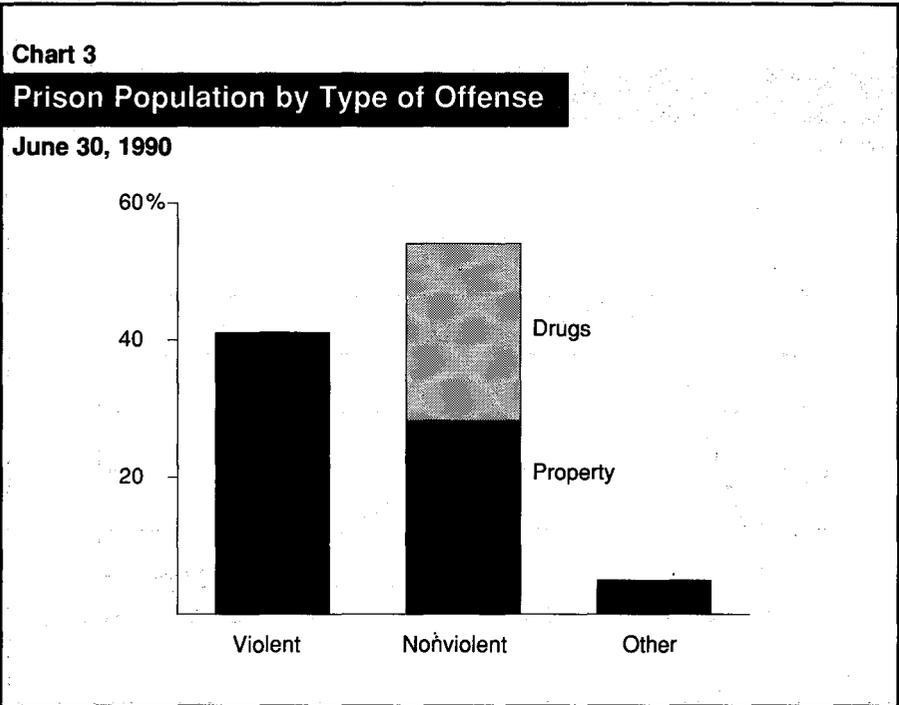
An issue closely related to parole revocation is recidivism. California's recidivism rate doubled between 1967 and 1990. Currently, of every 100 inmates who successfully complete parole, 53 will be back in a prison within 1 year and 64 will be back in prison within 2 years.

*Few Intermediate Sanctions Between Prison and Probation.* A major factor contributing to the prison population problem is the lack of punishment sanctions other than prison. For example, there are few community-based, specialized, or intermediate punishment options at the state and local levels that are available to judges who sentence criminal offenders. (We provide a more detailed examination of issues related to the need for additional sanctions in our companion document *The 1991-92 Budget: Perspectives and Issues.*)

**Who Is In Prison?**

Charts 3 through 6 illustrate the characteristics of the state's prison population. As the charts show:

- The majority of inmates are incarcerated for *nonviolent offenses* (Chart 3).
- About two-thirds of all inmates were committed to prison from southern California, with most from Los Angeles County (Chart 4).
- Most inmates are between 25 and 29 years of age. The number of inmates in older age groups falls dramatically (Chart 5).
- The prison population is divided relatively evenly between whites, blacks, and Hispanics (Chart 6).

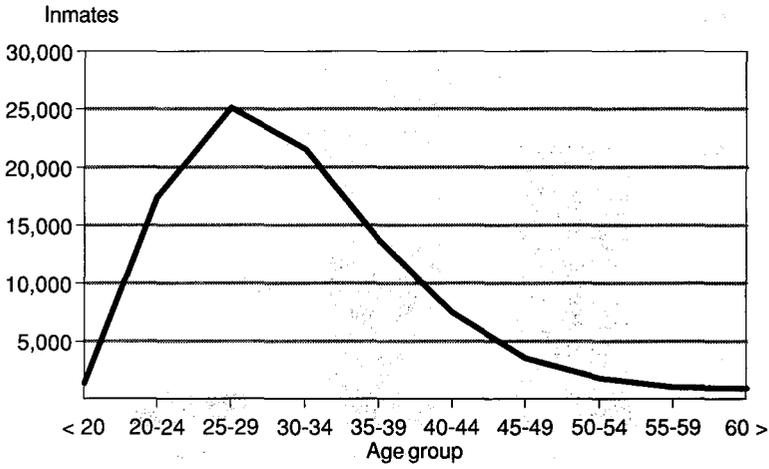


**DEPARTMENT OF CORRECTIONS—Continued**

**Chart 5**

**Prison Population by Age Group**

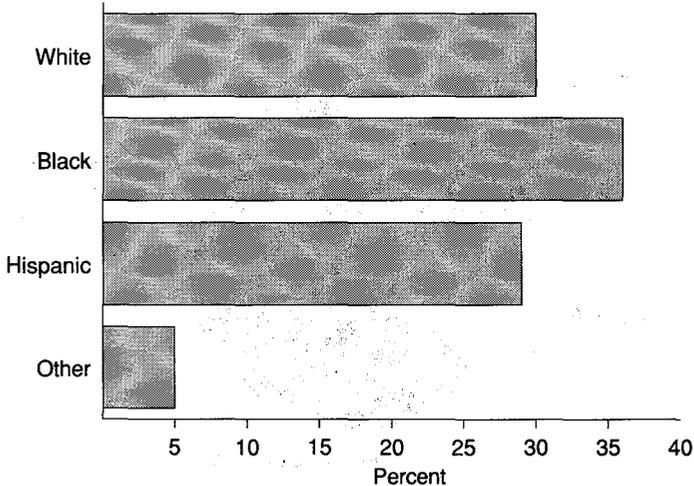
June 30, 1990



**Chart 6**

**Prison Population by Ethnicity**

June 30, 1990



**Legislative Alternatives For Controlling Corrections Expenditures**

In order to have a significant impact on expenditures, the Legislature would have to seek reductions in the inmate and parole populations. However, the Legislature's ability to control these costs in the short run is limited. This is because most of the factors that determine inmate and parole populations — such as the length of criminal penalties — are set in statute. Because changes in sentencing laws would apply only prospectively, such changes would be unlikely to have a significant impact for one or more years after enactment.

In order to assist the Legislature in considering how to control corrections expenditures, we have identified the alternatives discussed below. The alternatives are divided into two categories: options that do not require legislation and options that require legislation. Many of the alternatives in both categories are similar to recommendations made by the California Blue Ribbon Commission on Inmate Population Management in January 1990. The commission was established pursuant to Ch 1255/87 (SB 279, Presley) and charged with making recommendations on prison overcrowding, costs, and options for criminal punishment.

*Alternatives for Which Legislation Is Not Required.* There are a number of alternatives to reduce correctional spending that do not require legislation. However, many of these alternatives may result in *greater* costs in the short run, but savings in the long run to the extent that they reduce parole violations and recidivism. The long-run savings would be beyond the budget year.

Some of the options available include:

- *Increase Specialized Treatment for Inmates and Parolees with Substance Abuse Problems.* Sixty to 80 percent of the inmate population has a history of substance abuse. To the extent additional substance abuse treatment results in lower recidivism rates or at least longer intervals between rearrest or revocation of parole, expenditures on treatment programs are justified on a fiscal basis. We address a number of issues related to substance abuse treatment for criminal offenders later in this analysis.
- *Community-Based Bed Programs.* Community-based bed programs provide smaller scale incarceration in combination with rehabilitative services focused to the offender's needs. These programs are typically available to certain nonviolent offenders. Generally, community facilities are typically less expensive to build and also have a lower security level than prisons and jails. To the extent that these programs reduce recidivism by providing inmates an opportunity to reenter the community from a semi-controlled environment, they can also result in reduced expenditures for the CDC. (For a more detailed discussion of community corrections, please see Part Four of *The 1991-92 Budget: Perspectives and Issues.*)
- *Other Community-Based Alternatives.* There are a number of other community-based alternatives available, such as intensive supervision and electronic monitoring. Intensive supervision provides supervision within the community for those who are at risk of violating

**DEPARTMENT OF CORRECTIONS—Continued**

parole or probation. Electronic monitoring provides an even higher level of supervision of a convicted criminal in the community in lieu of commitment to prison. Access to an array of services is essential to the successful functioning of these alternatives.

- *Specialized Case Management.* With this option, a service provider develops a plan for treatment of a particular offender or parolee. Services are provided based on the particular circumstances that apply to the individual. They can include substance abuse services, job training, mental health treatment, or other such specialized services.

*Alternatives for Which Legislation is Required.* There are a number of alternatives that would have a swift and dramatic impact on correctional expenditures, such as releasing some inmates before the end of their terms or placing felons with short terms on parole rather than incarcerating them. These alternatives could result in savings of tens to hundreds of millions of dollars. These alternatives would have an unknown impact on public safety, although preliminary data from other states that have used early release indicate relatively little change in crime rates as a result.

In addition, there are several more far-reaching policy alternatives available to the Legislature that would have a significant effect on correctional expenditures. For the most part, these alternatives would result in a basic change in the state's current criminal justice system and would require implementing legislation. Most would not result in substantial expenditure reductions in the budget year but would in subsequent years. These options include:

- *Sentencing Commission.* This option would change the basic structure of the state's criminal sentencing mechanism. The sentencing commission would be charged with developing a set of prison sentences based on offenders' crimes. The sentences would be balanced against the available capacity of the state's prisons. The commission would act independently of the Legislature, although it could be appointed by the Legislature. Once the commission had fully developed a set of criminal sentences, sentences for individual crimes could not be increased without a corresponding decrease in sentences for other crimes. This would ensure that existing prison capacity is not exceeded. Sentencing commissions have successfully limited prison populations in other states. There are many different ways to implement sentencing commissions, but the basic premise is to ensure that reasonable sentences are applied, equity among sentences remains, and to ensure that existing prison capacities are not exceeded.
- *Arbitrary Prison Population Caps.* This option has been put into effect in other states, most notably Texas, by the courts. Under this option prison populations are capped and as new prisoners are admitted, others are released regardless of whether they have served their full terms.

- *Return to Indeterminate Sentencing.* Currently, felons sentenced to state prison are sentenced for a specific amount of time. Once that time has been served, within certain parameters, the prisoner is released. Under an indeterminate sentencing scheme, inmates are given a sentence *range*. The prisoner is then eligible for parole at different periods within that range. Depending on the inmate's behavior, the actual time spent in prison could be more or less than the time spent under a determinate sentence. The indeterminate sentence structure may not result in a reduction in the inmate population, but it would allow the state, through the Board of Prison Terms, to reduce the prison population more quickly and easily.
- *Limit Parole.* Roughly 36 percent of the state's current prison population consists of parole violators. Limiting the use of parole when releasing an individual from prison would result in fewer parole violators returned to prison.
- *Limit Incarceration to Persons Convicted of Violent Offenses.* If this option was currently in place, the prison population would be reduced by approximately 50,000 inmates.

### **Conclusion**

The unprecedented growth in expenditures for the CDC has been primarily the result of growth in the inmate and parole populations. Any changes to the current system would require an evaluation of public safety considerations. Alternatives available to the Legislature that would have the most significant impact on expenditures would require significant *policy changes* through legislation. Most of these alternatives, however, would not have a significant fiscal impact on correctional expenditures in the short-run.

### **Institution Population Projections Uncertain**

*We withhold recommendation on \$160.7 million requested to fund inmate population growth, pending analysis of a revised budget proposal, population projections, and construction schedule, to be included in the May revision.*

The budget requests an increase of \$160.7 million and 2,276.4 personnel-years to accommodate inmate population growth in institutions, and to fund associated population-driven support costs. The budget request consists of increases of \$155 million from the General Fund, \$5.8 million from the Inmate Welfare Fund, and \$114,000 in reimbursements, offset by a reduction of \$200,000 in federal funds.

The prison population increases are the result of two factors. First, increased admissions and increased sentence lengths result in higher prison populations. Second, inmates who are released on parole can be returned to prison if they violate the conditions of their parole or if they receive a new term as a result of criminal behavior while on parole. The department's most current population estimates reflect increases in the number and rate of new prison admissions and a decrease in the *rate* of parole violations. Based on past experience, we believe that this proposed request is likely to change because the inmate population projections

**DEPARTMENT OF CORRECTIONS—Continued**

which form the basis for the Governor's Budget proposal usually change significantly between January and the time that the Legislature approves the Budget Bill. For example, the 1990-91 Governor's Budget, requested funding to support an average daily population of 99,685 inmates in 1990-91. By the May revision, five months later, the department revised its projection to 98,325, a decrease of 1,360 inmates.

Since the prison population is continuing to grow, it is likely that the department's budget request will be revised significantly prior to the May revision. Pending receipt and analysis of the revised request, we withhold recommendation on the \$160.7 million proposed for prison population growth.

**Substance Abuse Treatment Programs**

In the past decade, the number of offenders admitted to prison for drug-related offenses grew by over 400 percent. In the current year, we estimate that the state will spend roughly \$500 million to incarcerate offenders who have substance abuse problems.

Recognizing that in many cases substance abuse is a primary factor in inmates' criminal careers, the Legislature appropriated \$1 million in the 1990 Budget Act for new and expanded substance abuse treatment programs for inmates and parolees. The department proposed to spend the state funds as follows:

- Assess inmates and parolees to determine their need for treatment.
- Establish a pilot drug testing demonstration with scheduled and unscheduled testing of inmates for drug use.
- Fund a pilot project that links parolees to services in the San Francisco Bay Area.
- Provide various improvements to existing programs.
- Support a demonstration drug treatment program for 200 inmates at the Richard J. Donovan Correctional Facility in San Diego.

**Key Demonstration Drug Treatment Program Is Behind Schedule**

*We recommend that the Legislature adopt Budget Bill language directing the CDC to (1) identify inmates at all reception centers who are eligible for participation in the substance abuse treatment pilot program and (2) maintain a centralized list of those inmates identified and approved for the program systemwide.*

A key component of the department's substance abuse treatment plan is the demonstration drug treatment program for inmates within the Richard J. Donovan Correctional Facility. The program was designed as a self-contained community in the prison to provide drug treatment services to inmates. The program was modeled after several other successful programs operating in other states. The department hired a contractor to operate the program, which was scheduled for initial activation in October 1990.

Currently, the drug treatment program is approximately six months behind its scheduled activation. The initial delay in activation occurred

because construction of the program housing units was delayed. However, construction is now complete, but the department has not identified a sufficient number of inmates to participate in the program. As a result, the contractor for the program has been working for six months without a functioning program. The department has indicated that 200 inmates eligible for participation in the program will be identified by March 1, 1991.

***Department Proposes to Relax Eligibility Requirements.*** The department indicates that *if* it appears likely that it will not be able to fully activate the drug treatment program by March 1991, eligibility requirements for the program will be relaxed. If that is unsuccessful, as a final option, inmates from other institutions will be accepted. The department indicates that this is the least desirable option due to the costs of transporting inmates to the Donovan Facility.

We question why the department is unable to identify 200 eligible inmates out of a population of almost 100,000 inmates, over 80 percent of whom have documented histories of substance abuse. We also question the department's unwillingness to transport 200 inmates to participate in the programs, when the department transports 90,000 inmates annually among institutions.

***Department Should Identify Inmates for Program in Reception Centers.*** In 1990, over 96,000 inmates were received and processed at CDC reception centers throughout the state. As part of the reception process the security level for each inmate is determined, and with that, his or her ultimate prison placement. Our analysis indicates that there would be no additional costs associated with identifying those inmates eligible for the substance abuse project at the time they are processed at CDC reception centers. We expect that such a system would result in fewer delays in filling the substance abuse program slots.

Accordingly, we recommend that the Legislature adopt Budget Bill language directing the department to identify inmates that are eligible for the program at the time they are processed by the reception centers. In addition, we recommend that the department maintain a centralized list of those inmates identified systemwide and approved for the program. Such a list would allow the department to ensure that the program is fully utilized. Specifically, we recommend the following language (Item 5240-001-001):

The Department of Corrections shall identify inmates that are eligible for the Rightturn substance abuse treatment program at R.J. Donovan Correctional Facility in San Diego at the time they are processed by the reception centers. In addition, the department shall maintain a centralized list of those inmates systemwide who are identified and approved for the program.

#### **CDC Unsuccessful in Its Bid for Federal Grant Funds**

***We recommend that the Legislature adopt supplemental report language directing the CDC to enter into a memorandum of understanding with the Department of Alcohol and Drug Programs (DADP) in order for the DADP to assist the CDC in (1) improving the quality of any future substance abuse treatment grant proposals and***

**DEPARTMENT OF CORRECTIONS—Continued***(2) identifying and pursuing new and existing federal grants for substance abuse treatment of inmates and parolees.*

In early 1990, the Office of Treatment Improvement, which is part of the U.S. Department of Health and Human Services, advertised two drug treatment grants that would be available for state prison systems. One was for drug treatment of nonincarcerated persons, such as parolees or probationers, and the other was for drug treatment of incarcerated persons. The CDC applied only for the grant addressing incarcerated populations. Despite the fact that California has the highest inmate population in the nation and accounts for over half of all parolees in the United States, it was not awarded the grant.

*CDC Needs Assistance in Preparing Grant Applications.* We recognize that the CDC has made an effort to begin to provide substance abuse treatment to its inmate population. In addition, we recognize that the provision of such treatment is not the department's primary responsibility and that as a result, its success in capturing federal funds may initially be limited. The DADP, which is the designated statewide agency for federal grants relating to alcohol and drug programs, has experience in applying for and receiving federal grants.

Given the number of inmates incarcerated for drug-related offenses, we believe it would be in the state's best interests to take a coordinated approach in the grant application process for treatment services. Thus, we recommend that the Legislature adopt supplemental report language directing the CDC to enter into a memorandum of understanding with the DADP specifying that (1) the CDC will work with DADP to improve the quality of any future substance abuse treatment grant proposals and (2) the CDC will work with the DADP to identify and pursue new and existing federal grants for substance abuse treatment of inmates and parolees. Specifically, we recommend the following language:

The Department of Corrections (CDC) shall enter into a memorandum of understanding with the Department of Alcohol and Drug Programs (DADP) specifying that (1) the CDC will work with DADP to improve the quality of any future substance abuse treatment grant proposals and (2) the CDC will work with DADP to identify and pursue new and existing federal grants for substance abuse treatment of inmates and parolees.

**CDC's Medical Administration Systems Need Improvement**

The Governor's Budget proposes to spend \$209 million from the General Fund for inmate health care in the budget year. These funds will be spent in a variety of ways. There are three hospitals at three prisons that provide medical treatment, as well as infirmaries at each prison. Also, the department maintains contracts with outside providers for medical services that it cannot provide. Finally, reception centers maintain medical staff for routine physical and medical examination of inmates as they are received into the state prison system.

In the past five years the Legislature has supported major improvements in the CDC's medical care system. For example, the three hospitals have been licensed by the Department of Health Services, a task that

took three years and involved expenditures of tens of millions of dollars for both capital outlay and support.

Our review of the CDC's current medical care program found that there is little data on what services are provided and at what cost, and that staff vacancy rates are high. As we point out in the following review, the CDC is only addressing the data collection issues.

**Information on Medical System Expenditures and Performance is Unavailable and/or Inconsistent**

Our analysis indicates that the department is unable to provide some of the most basic information needed for medical system control and planning. Among the data that are unavailable are the type and number of medical procedures performed, contractor costs and usage, a medical equipment inventory, and medication costs. Apparently, much of this data is simply not collected.

In addition, the information which is available on the department's health care systems is not particularly reliable. This is because each institution reports its costs differently and defines services differently. For instance, some institutions that have reception centers separate the costs of reception center medical staffing from hospital or infirmary staffing. Thus, when medical costs are reported for the particular institution, the cost of reception center personnel is not included in the medical costs. However, other comparable institutions include *all* medical personnel in the medical budgets, including reception centers.

***The Department Proposes to Fully Implement a Medical Accounting System in the Budget Year.*** In order to fully implement the system, the department is requesting 21 positions — to be phased in throughout the budget year and funded by redirection of existing medical contract funds. The new system will use the existing Department of Finance Calstars accounting system and will provide information on health care costs and information on inpatient and outpatient utilization. Initial implementation of the accounting system began in 1990 with the California Institution for Men, California Rehabilitation Center, and Mule Creek State Prison. The system will be implemented in all institutions by the end of the budget year.

***The Department Expects the New System to Generate Cost Savings in the Long Run.*** The department believes that it will realize immediate savings through better control and oversight of medical expenditures. Over the longer term, the department believes that efficiencies can be identified in one institution and replicated in other institutions resulting in cost savings or cost avoidance. In addition, the department will be better able to identify those services which need expanding and those that may be provided more cost effectively on a contract basis.

We believe that the department's assessment of the long-term benefits of the program is accurate. The proposal appears complete and cost-effective; therefore, we recommend approval.

**DEPARTMENT OF CORRECTIONS—Continued****High Vacancy Levels Occur in Most Medical Positions**

*We recommend the adoption of Budget Bill language limiting the use of funds budgeted for medical care for those purposes.*

Our review found an overall vacancy rate for medical personnel of more than 20 percent. Vacancy rates for nurses and physicians were 17 and 16 percent, respectively. The vacancy rate for psychiatrists was 60 percent. Typically, medical positions with the CDC are difficult to fill, particularly because the patient population can be dangerous and difficult to work with.

As a result of these vacancies, the department has been able to redirect funds intended for salary, benefit, and operational costs to other programs within the institutions. For instance, the vacancy rate for physicians and psychiatrists department-wide, represents roughly \$4.5 million in annual salary savings alone. Information provided by the department indicates that the annual salary savings on *all* medical positions is over \$10 million. These savings result strictly from salaries and wages. Additional savings would be realized if benefit payments and operation expenses were also counted.

Although the department has recognized and is addressing its data collection problems, little appears to have been done to address the high medical staff vacancy rates.

As noted before, the medical staffing vacancies represent a major cost savings. We believe at the very least, if these vacancies continue, the funds should be utilized for medical programs within the department, or returned to the General Fund. Accordingly, we recommend adoption of the following Budget Bill language (Item 5240-001-001):

Of the amount appropriated in Schedule (a), \$209 million shall be available for inmate medical care. Funds not used for this specific purpose shall revert to the General Fund.

**Department of Mental Health to Reduce Mental Health Beds**

*We recommend that the Departments of Corrections and Mental Health report to the Legislature during budget hearings on a coordinated plan for providing mental health treatment to CDC inmates who will be displaced from state hospital beds.*

The CDC currently contracts with the Department of Mental Health (DMH) to provide treatment of mentally ill inmates in the state hospital system. The DMH provides 412 beds at Atascadero State Hospital for these patients. In addition to these beds, the CDC also contracts with the DMH to provide inpatient treatment for inmates at the California Medical Facility at Vacaville.

*DMH Proposes a 160-Bed Reduction in the CDC Contract.* The DMH has proposed in its 1991-92 budget to reduce the number of state hospital beds available to the CDC by 160 beds. The DMH indicates that this will result from a combination of factors which include increases in its existing populations and renovation of portions of its facilities which will result in the temporary loss of some beds. The impact of this change was not

reflected, however, in the budget request for CDC (please see Item 4440 for further discussion of this issue).

The DMH now indicates that it plans to substantially revise its proposal in order to avoid the loss of beds to CDC during the budget year. However, DMH anticipates loss of these beds in 1992-93.

**Cost Implications of Loss of Beds Could Be Major.** If the DMH does indeed reduce the CDC contract by 160 beds, the cost implications for CDC could be significant. This is because without the DMH beds, it is possible that CDC would have to contract for inmate mental health treatment, including hospitalization in private psychiatric hospitals. Such an alternative would likely be more costly than use of DMH services. In addition, there would be additional security costs. If the CDC had to place 160 inmates in private psychiatric hospitals, it is possible that the additional security costs alone would exceed \$14 million annually to provide additional guards.

**Analyst's Recommendation.** It appears likely that the present DMH remodeling schedule and projected increases in certain types of state hospital patients will limit the number of state hospital beds available for other clients, including CDC inmates after the budget year.

Accordingly, we recommend that the CDC and the DMH report to the fiscal committees during budget hearings of how they propose to continue to provide acute psychiatric care for seriously mentally ill CDC inmates. The report should address both 1991-92 and 1992-93 and should recognize any proposed or planned construction projects that could affect bed availability.

#### **State-Supported Restitution/Work Furlough Center Underutilized**

*We recommend a General Fund reduction of \$413,000 to eliminate overbudgeting for the Central City Community Center facility (state-operated work-furlough/restitution center) (Reduce Item 5240-001-001 by \$413,000).*

The CDC's work furlough program provides minimum security inmates who are within 90 and 120 days of the end of their sentences the opportunity to seek and maintain employment. Currently, most of the facilities that house these inmates are operated by private providers, under contract with the department, who are reimbursed on a *per inmate rate*. In contrast, the Central City Community Center (CCCC) in downtown Los Angeles is a 105-bed state-operated work furlough facility that is budgeted and staffed for full capacity.

The department is currently in the process of converting the CCCC to a restitution center. A restitution center operates much like a work furlough facility, but inmates are subject to more intensive supervision. In addition, an inmate's wages are divided into three equal parts: (1) one-third to the victim as restitution, (2) one-third to the state to defray program costs, and (3) one-third to the inmate for personal use. All inmates must have a job or be actively seeking employment. The goal of the program is to encourage offenders to accept responsibility for their criminal acts.

**DEPARTMENT OF CORRECTIONS—Continued**

**Low Occupancy at the CCCC.** Since July 1990 the department has only filled an average of 73 out of 105 beds (70 percent of capacity), with combined restitution center and work-furlough facility inmates. At times, the number of occupied beds fell as low as 60 out of 105, or 57 percent of capacity. This low occupancy rate continues a trend at this facility which we have identified in prior *Analyses*. Although the Legislature has expressed concern regarding the problem of unused work furlough beds several times over the last few years, the problem persists. In a prison system that is operating at approximately 180 percent of capacity, the continued underutilization of the available bed capacity is unacceptable.

**Unused Beds Result in Overbudgeting.** Empty beds at the CCCC facility impose an unnecessary expenditure of funds, because the state continues to pay 100 percent of budgeted staffing and other costs even when occupancy is low. Since the state budgets the facility to operate at 100 percent of capacity, but it only operates at 70 percent capacity, the facility is overbudgeted by \$413,000 (the average costs of the unused beds).

**Analyst's Recommendation.** In light of the unnecessary expense that these unused beds impose and given the lack of any specific plan of the department to address this concern, we recommend that the annual costs of the unused beds be deleted from the department's budget. Accordingly, we recommend the budget be reduced by the net amount of \$413,000. This reflects average cost reduction of running the facility at 27 beds below the currently budgeted capacity level.

**COMMUNITY CORRECTIONAL PROGRAM**

The budget proposes \$241.1 million for the Community Correctional Program in 1991-92, an increase of \$36.6 million, or 18 percent, above estimated current-year expenditures. This increase primarily includes costs for parole population growth, as well as continuation of the Substance Abuse Revocation Diversion (SARD) Program (we discuss the SARD Program later in this analysis).

**Parole Population Increases.** The department projects that the parole population will increase during the budget year. Table 5 shows that the parole population is expected to increase by 15 percent, from 73,696 in the current year to 84,745 in 1991-92.

**Table 5**  
**Department of Corrections**  
**Parole and Outpatient Population**  
**Supervised in California**  
**June 1990 through June 1992**

	<i>Actual</i>	<i>Estimated</i>	<i>Projected</i>	<i>Percent</i> <i>Increase</i> <i>From</i>
	<i>6/30/90</i>	<i>6/30/91</i>	<i>6/30/92</i>	<i>6/30/91</i>
Male felon .....	54,161	64,521	74,284	15.1%
Male outpatient .....	1,774	2,234	2,713	21.4
Female felon .....	5,210	6,288	7,006	11.4
Female outpatient .....	578	653	742	13.6
Totals.....	61,723	73,696	84,745	15.0%

**Parole Population Projections Uncertain**

*We withhold recommendation on \$16.8 million from the General Fund requested to fund parole population growth, pending receipt and analysis of a revised parole population estimate, to be included in the May revision.*

The budget requests an increase of \$16.8 million from the General Fund and 189.7 positions to accommodate population growth in the parole program. Based on past experience, we believe that this proposed request is likely to change because of fluctuations in the parole populations. For example, between the spring and fall of 1990, the department reduced its parolee population projections for June 30, 1992 by about 328 parolees. In addition, there are other uncertainties that could greatly affect the population, such as the declining parole revocation rate, which results in fewer inmates being returned to prison.

For these reasons, it is likely that the department's budget request will be revised significantly prior to the May revision. Pending the receipt and analysis of the revised request, we withhold recommendation on the \$16.8 million proposed for the management of the parole population workload.

**Parole Revocation Criteria Needed**

*We recommend that the Legislature adopt supplemental report language requiring the CDC to establish specific criteria for parole revocation decisions.*

Parole violators are parolees who fall into two categories: (1) parole violators returned-to-custody (PV-RTC) by the Board of Prison Terms (BPT) because they violated the conditions of their parole, and (2) parole violators returned to custody by the courts with new terms (PV-WNTs). PV-RTCs represent a majority of total revocations, roughly 75 percent.

*Parole Violators Contribute to Prison Overcrowding.* Over the past five years, the total number of parole violators (also referred to as parole "revocations") has grown substantially from about 16,000 in 1985 to over 50,000 in 1990. In fact, California's high parole revocation rate has been one of the driving forces in the state's escalating prison population. Parole revocations account for approximately 40 to 50 percent of the new admissions into state prison. Thus, changes in the overall revocation rates can potentially have enormous fiscal and public safety consequences.

California's overall revocation rate is considerably higher than other states. Several factors account for this, including (1) mandatory drug testing as a condition of parole, (2) the lack of alternative sanctions, (3) the implementation of the Determinate Sentencing Law which has eliminated the requirement of a pre-release plan for parolees, and (4) the lack of any specific criteria to guide parole agents in making the recommendation to revoke parole, especially for parolees returned to prison for technical and drug offenses.

*Greater Uniformity Needed in Parole Revocation Decisions.* The lack of uniform criteria for determining parole revocation decisions leads to

**DEPARTMENT OF CORRECTIONS—Continued**

arbitrary and inequitable decisions affecting the state parolee population. For example, in our field visits we found that many parolees return to prison for very minor offenses, while others return to prison as PV-RTCs even though their new offense was serious enough to warrant a new prosecution.

***Parole Violations for Minor Offenses.*** Our field visits and discussions with the CDC indicate that many parolees are still returning to prison for relatively minor technical offenses or, in some cases, technical offenses that have little basis. For example, a parolee was returned to state prison for failure to report to his parole agent, although the failure occurred because the parolee was in the hospital undergoing brain surgery. In another case, a parolee was returned to custody for suspicion of burglary, although the burglary occurred when the parolee was still incarcerated in Folsom state prison.

***Parole Violations that Warrant a New Prosecution.*** In our field visits, we also found that many parolees who commit new offenses are returned to prison for shorter lengths of time as PV-RTCs. Because counties pay for the detention and prosecution costs of new crimes, local governments often decide not to prosecute a parolee who committed a new crime. For instance, we encountered a parolee whose parole had been revoked for one year based on an accusation of child abuse. Review of the inmate's file revealed that he was accused of severely burning his child — the child received third degree burns. Rather than prosecute this as a new crime, the local prosecutor chose to have parole revoked and allow the BPT to send the parolee back to prison for a maximum of one year.

***Analyst's Recommendation.*** The existing system for determining parole revocations appears to be arbitrary due to the lack of specific criteria for parole revocation decisions. In our judgment, the development of revocation criteria will promote greater equity and uniformity in the parole revocation process. Therefore, we recommend that the Legislature adopt supplemental report language requiring the CDC to establish specific criteria for parole revocation decisions that refer the parolee to the BPT for revocation or the local criminal justice system for prosecution. We recommend the following supplemental report language:

The Department of Corrections shall establish specific criteria for parole revocation decisions by December 1, 1991. The criteria should include minimum standards for parole revocations, as well as a review process. These standards shall include a defined protocol that includes service alternatives before initiating the revocation process, as well as how to deal with parole violators who should be prosecuted for new criminal activity.

**SARD Program Ineffective**

***We recommend that the Legislature redirect \$5.5 million requested for the Substance Abuse Revocation Diversion (SARD) Program to the Department of Drug and Alcohol Programs (DADP) to provide public treatment services for parolees. We further recommend the adoption of supplemental report language specifying how the funds will be used.***

*(Reduce Item 5240-001-001 by \$5,538,000 and Augment Item 4200-101-001 by \$5,538,000.)*

Drug use among parolees is a major factor contributing to the dramatic increase in the number of parole violators returning to prison in recent years. Positive drug testing or new criminal activity related to drug use often sends a parolee back to prison for short periods of time. In fact, over 11,000 parolees, or 28 percent of parole violators returned-to-custody (PV-RTC), are returned to prison on charges directly related to drug use or sales. This figure, however, understates the extent of the problem because many thousands are returned to prison for crimes related to drugs (for example, burglary in which the aim was to attain money to buy illegal drugs).

**SARD Program.** In recognition of the fiscal consequences of this problem, the Legislature established the SARD Program in the 1988 Budget Act on a two-year pilot basis. The SARD Program provides intensive community supervision to about 1,800 substance-abusing parolees, who are at risk of being returned to state prison for a technical parole violation involving the use of drugs. The 1991-92 budget proposes \$9.9 million and 110 positions to make the pilot program permanent. This amount includes \$4.4 million for regular parole supervision that would occur in the absence of the program and \$5.5 million for increased supervision and case management services, which may include limited treatment services.

**Program Has Been Unsuccessful.** The *Supplemental Report of the 1988 Budget Act* directed the department to provide a final report on the cost-effectiveness of the SARD Program by September 1, 1990. At the time this analysis was prepared, the CDC had *not* released this report to the Legislature. However, the department has provided us with the necessary data to determine the effectiveness of the program. Our analysis of the data indicates that the SARD Program has not been successful. Specifically, parolees who were placed in a SARD unit were just as likely to return to state prison for a parole violation as those placed under routine parole supervision. Thus, the SARD Program had little effect on its participants.

**Proposed Program Changes.** Although the CDC has not submitted the report on the cost effectiveness of the program, the budget proposes changes in the program that imply that the department's findings are consistent with ours. The department proposes to focus the program on two types of parolees: (1) high-risk substance abusers who are discharged directly from state prison to parole and (2) "true diversions," individuals who would otherwise be sent directly to prison for a drug-related parole violation.

Recent research findings, as well as the department's past performance, lead us to conclude that the SARD Program will continue to be ineffective at addressing the needs of the parolee population. There is little evidence to suggest that intensive supervision by parole agents, in and of itself, will reduce recidivism or the likelihood of parole violations. For example, a recent study by the RAND Corporation found that

**DEPARTMENT OF CORRECTIONS—Continued**

intensive probation supervision alone does not reduce the likelihood that felon probationers will commit crimes. The study focused on intensive supervision probation programs for "high-risk offenders" in Los Angeles, Ventura and Contra Costa Counties. Similar results were found for intensive supervision for parolees in Texas.

**The Legislature's Options.** Clearly, there is a need for a program that addresses the problem of substance abuse among parolees. However, we do not believe that the SARD Program, as it is currently designed or proposed to be changed, is likely to provide a solution to this problem. With this in mind, we have identified three options that the Legislature may consider in deciding the best use of the \$5.5 million budgeted for the program.

**Delete \$5.5 Million Thereby Making It Available for Other Priorities.** The Legislature could eliminate funding for the program for a General Fund savings of \$5.5 million. Although this would help the state fiscal condition in the short run, it would result in long-term costs as drug-abusing paroles revolved in and out of the prison system.

**Increase Casework-Services Funding.** The department currently budgets "casework services" funds to pay for short-term housing, meals, employment training, and drug treatment of parolees. On average, the state provides roughly \$125 per parolee for these services. The Legislature could use the \$5.5 million proposed for the SARD Program to increase the funds available for casework services. We estimate that this would provide an additional \$80 a year per parolee. This option, however, would not target the most severe treatment needs — substance abuse. In addition, because the department has little program expertise at providing these treatment services, an increase is unlikely to be effective in treating the needs of parolees in the budget year.

**Funding Could Be Used to Provide Substance Abuse Treatment.** The Legislature could redirect funds requested for the SARD Program to the DADP to provide public treatment services for parolees. The DADP oversees the state's public drug treatment system. Through the county offices of drug programs, local drug administrators have the expertise and resources to provide services to the parole population, unlike the SARD Program, which primarily emphasizes supervision.

We estimate that \$5.5 million could serve approximately 2,500 to 4,000 parolees depending on the type of treatment used by the parolee population. The most cost-effective approach would be for the CDC to target these treatment slots to parolees who would have otherwise returned to prison.

**Analyst's Recommendation.** Given the scope of the problem of substance abuse among the parole population and the potential for long-term cost savings which could result from an effective treatment program, we recommend that the Legislature redirect \$5.5 million requested for the SARD Program to the DADP to provide public treatment services to parolees. This approach would ensure that sub-

stance abusing parolees receive treatment service through the existing treatment system as quickly as possible.

We further recommend the adoption of supplemental report language requesting the DADP to select a limited number of counties to provide drug treatment services to parolees, giving priority to those counties that (1) have experience working with the criminal justice population, and (2) can provide the services within existing treatment facilities. In addition, the language should provide that the DADP use up to \$150,000 to contract out for an independent and controlled evaluation of the effectiveness of treatment for this population.

We recommend the following language:

The Department of Alcohol and Drug Programs (DADP) shall use the \$5.5 million transferred from the Department of Corrections' budget to select a limited number of counties to provide drug treatment services to parolees. The DADP shall give priority to counties that (1) have experience working with criminal justice population and (2) can provide the services within existing treatment facilities. The DADP shall use up to \$150,000 of these funds to contract out for an independent and controlled evaluation of treatment for this population.

#### **Better Case Management of Substance-Abusing Parolees Needed**

*We recommend that the department report during budget hearings on a plan to improve the case management of parolees with substance abuse problems.*

Parole serves two distinct functions: (1) a surveillance function to enhance public safety after an inmate is released from state prison and (2) a service function to facilitate the parolee's transition back into the community. Based on our site visits, discussions with the department, and review of data and reports, we find that, generally speaking, over the last 10 years, parole agents have placed greater emphasis on surveillance than on providing services for parolees. As a result, more parolees have had limited success in transitioning to the community and avoiding criminal activity.

*Agents Need Training in Case Management Services.* In order to improve the chances of a successful transition to the community, our analysis indicates that parole agents need training in how to access treatment and services for parolees. One promising model for providing case management services is the Treatment Alternative to Street Crime (TASC) Program used by many states for probationers and in Colorado for parolees. Essentially, this is a case management program that works within the current parole staffing ratios, with additional resources going to treatment. The focus of the program is to bridge the gap between the justice system and the treatment community. Under parole supervision, community-based treatment is made available to drug-dependant parolees who otherwise would have been in a state prison or engaged in criminal activity.

*Plan Needed.* The department needs to develop case management training aimed at the substance abuse needs of the parole population. Such training would also be applicable to other casework services such as

**DEPARTMENT OF CORRECTIONS—Continued**

employment training and mental health treatment. Therefore, we recommend that the department report during budget hearings on a plan to improve the case management of parolees with substance abuse problems.

**Increased Funding for Parolee Detention Not Justified**

*We recommend a General Fund reduction of \$2.3 million requested for increased state costs to detain parolees at county jail facilities because the proposal is not justified. (Reduce Item 5240-101-001 by \$2,336,000.)*

The budget proposes \$16.4 million for the department's local assistance budget to reimburse counties for detaining parolees in local jails. This amount is \$2.3 million, or 17 percent, above the estimated current-year expenditures.

*Increase Has Not Been Justified.* The department has been unable to provide the Legislature with any substantive information to justify the requested funding increase. For example, the department was not able to provide information on the number of parolees it estimates will be detained in local jails for which counties would be reimbursed.

In addition, while we recognize that the overall parole and parole violator population is growing, the demand for parolee detention has not increased at a similar rate. The rate of parole violators returned-to-custody has declined from nearly 70 percent in 1988 to less than 50 percent in recent months. Finally, the supply of county jail beds has become increasingly restricted as more counties have court-mandated population caps that limit the counties' ability to detain parolees.

Given the lack of substantive justification, we recommend that the Legislature delete the proposed increase, for a General Fund savings of \$2.3 million.

**Parole Psychiatric Services Are Uncertain**

*We withhold recommendation on \$8.3 million requested for support of the Parole Outpatient Clinic (POC) Program, pending receipt of information on how services are currently being provided by the POC and details of a proposed reorganization.*

The department requests \$8.3 million and 84.5 positions for the continued support of the POC Program. These positions provide mandatory psychiatric treatment (often a condition of parole), as well as clinical evaluation and consultation to parolees. The department provides these services through clinics it operates in Los Angeles and San Francisco.

Our analysis indicates that there is a clear need for outpatient psychiatric services within the parole population. Many parolees have a history of aggravated assault crimes, sexual offenses, and other offenses that indicate a history of mental illness. In addition, a study required by Ch 1416/85 (AB 2390, Stirling) of this population concluded that approximately 15 to 20 percent of the parole population (10,000 to 14,000 parolees) have a severe mental disorder.

**Findings of Mismanagement.** Recently, the department's inspector general performed a routine audit of both its Los Angeles and San Francisco POC units. The general findings of the audit are that the POC Program was mismanaged and lacked appropriate systems of service accountability. Some of the findings included the following:

- **Poor Administrative Oversight.** There were no uniform treatment or administrative systems to hold professional staff accountable.
- **No Reliable Caseload Counts.** As a result of poor record keeping, there was incomplete documentation to support current case counts, and no consistent method for updating the case records.
- **Medical Files Not Being Maintained.** Professional staff did not sufficiently maintain medical treatment case-histories of clients.
- **Incomplete Inventory of Pharmaceuticals.** There was no inventory system of tracking pharmaceutical supplies by the POC staff.

**Department is Taking Action.** The CDC has indicated that it recognizes the problems in the POC units and is currently taking a number of short-term and long-term actions to correct the problems. In the short term, the department is filling existing vacancies and increasing its reliance on contracting out for the treatment of parolees in urban areas. In the long term, the department is planning a major reorganization of the POC Program. The goal of the reorganization is to more closely tie the POC services to existing parole regional offices. The department believes that, by bringing the POC services closer to the regional parole administrators, newly created systems of accountability can be more easily implemented and maintained. New systems of accountability potentially include a computerized tracking system to monitor current case counts, daily attendance in service programs, and case history data. The proposal, at the time this analysis was prepared, would *not* require additional resources.

**Many Uncertainties Still Exist.** While the department has developed a general concept for reorganizing the POC Program in order to better meet service demands, there are a number of uncertainties remaining. These uncertainties fall into two general areas. First, it is not clear how many parolees are currently receiving POC services. There is *still* no reliable patient count within the department. Second, the department was unable to provide many details about the reorganization proposal. Without this information, it is not clear how services will be provided in the budget year or beyond.

Accordingly, we withhold recommendation on \$8.3 million requested for the POC Program, pending receipt of the following information prior to budget hearings:

- Number of parolees currently receiving POC services.
- Types of treatment these parolees are receiving.
- How current staffing levels will address the service level needs.
- Structure of the POC units under the proposed reorganization.
- Chart of responsibility for the ongoing operations of the POC units.
- Plans on how the reorganization will occur without disrupting current services to parolees.

**DEPARTMENT OF CORRECTIONS—Continued****ADMINISTRATION PROGRAM**

The budget proposes \$154.6 million for administration of the CDC in 1991-92. This amount is \$6.1 million, or 4.1 percent, greater than estimated expenditures for the current year. The costs of the Administration Program are distributed between the Institutions and Community Correctional Programs.

**How Will Department Support Programs Without Bond Funds?**

*We recommend that the department report during budget hearings on how the department intends to fund support and capital outlay functions currently funded from bond funds once those funds are exhausted.*

Over the past 10 years the voters have approved \$2.6 billion in prison bonds for construction and repair of state prisons. In those 10 years, the Legislature has used these bond funds to construct approximately 48,000 prison beds. In addition to new prisons, the department embarked on a significant maintenance and repair program in existing facilities also funded with bond funds. However, in November 1990, the voters rejected a new prison construction bond. This effectively halted the flow of general obligation bond funding and has major implications for the department's current programs funded with bond funds.

According to the Governor's Budget, after the budget year, the balance of general obligation bonds available to the CDC will be \$73.2 million. We have identified two factors that will draw down and probably eliminate this fund balance in 1992-93. These factors include the following:

- *Existing Facility Special Repair, Recurring Maintenance, and Construction Administration Costs.* Although we cannot estimate the level of costs for these services in 1992-93, they are likely to be at least the same level as 1991-92 (\$51.2 million).
- *Construction Claims.* We estimate that potential claims filed against the state by contractors on prison construction projects will total \$105 million. To the extent that bond funds are not available to pay these claims, the General Fund would be liable for these costs.

It is not clear how these functions will be funded in 1992-93 and beyond. Given these uncertainties and the fiscal consequences, we recommend that the department report during budget hearings on how the department intends to fund support and capital outlay functions currently funded through bond funds in the future.

**Construction Staffing Requests Not Justified**

*We recommend a reduction of \$667,000 from the 1990 Prison Construction Bond Fund for positions requested to address construction and special repair-related workload because the request is not justified on a workload basis. (Reduce Item 5240-001-751 by \$667,000.)*

The budget requests \$667,000 from the 1990 Prison Construction Bond Fund and 10 positions for the Planning and Construction Division, to address administrative workload related to new prison construction and

repair of existing prisons. The positions requested fall into two categories: (1) staffing for new prison construction projects and (2) staffing for Inmate Day Labor (IDL) Program and special repair-related workload.

***New Prison Construction Projects.*** The department proposes to spend \$393,000 for six positions for administration of new prison and camp construction projects. These positions would augment existing staff who coordinate new prison projects, camp expansion, and renovation work. According to the department, this workload has increased due to new construction.

Based on our review, we conclude that the department's workload will not increase. Specifically:

- The number of projects to be coordinated has not increased sufficiently to warrant an increase in staff.
- Activation of new prison beds peaked in 1987-88 when the department activated 7,000 beds. The CDC proposes to activate 6,000 beds in 1991-92 and activations in future years will be equal to or below that level.

***Special Repair and Inmate Day Labor Projects.*** The department proposes an increase of \$274,000 and four positions for workload related to its special repair and IDL Programs.

The department indicates that the request is justified due to (1) the additional workload imposed by the renovation of 120 beds at Camp Bautista, authorized by Ch 981/90 (SB 549, Presley), (2) the increased number of special repair projects, and (3) the growing number of IDL projects.

Our review of workload data provided by the department indicates that this workload is likely to decrease between the current and budget years. Specifically, the IDL Program had over 170 capital outlay and special repair projects underway in the current year, according to the department. Data provided by the department indicate that the program has 47 projects scheduled for the budget year, 19 of which will be completed in the first quarter of the year.

In addition, our review of past- and current-year IDL schedules indicates that these schedules are extremely fluid and that many of the projects are scheduled and completed at the discretion of the department. For instance, the IDL has 131 projects on its master schedule of projects. Of those 131 projects, 37 have no scheduled construction date. Many of those are ready for construction but have no funding or are being reconsidered by the requesting institution. Some of the projects were initially scheduled, but have now been given a lower priority.

It appears, based on the workload data provided by the department, that the existing planning and construction staff is sufficient to accomplish the proposed workload for the 1991-92 budget year. Thus, we recommend deletion of \$667,000 and 10 positions.

**DEPARTMENT OF CORRECTIONS—Continued**

comparable wage to workers outside the prison. A portion of an inmate's wages could be withheld to reimburse the state for the cost of the inmate's room and board, as well as for taxes, victim restitution, family support, and savings for the inmate.

Our analysis indicates that the proposal is significantly overbudgeted, and that only \$248,000 is justified.

**Staffing.** The department requests four positions — a CEA II position, a correctional lieutenant, an associate governmental program analyst, and an office technician. The department indicates that the correctional lieutenant position is necessary to address any security issues that are a part of preliminary negotiations with private businesses. We believe that the CEA position should be familiar enough with the department's operations to address these types of issues. Moreover, as negotiations with private businesses progress, the management of individual prisons would be part of the discussions, and the prison's own security staff would address questions pertaining to security. Thus, we recommend that the correctional lieutenant position be deleted for a General Fund savings of \$64,000.

**Operating Expenses and Equipment.** Our analysis indicates that a number of operating expenses are not justified. These include:

- **Overtime.** The department is proposing \$56,000 for overtime expenses. This amount includes overtime for the CEA position — a position that is not currently eligible to earn overtime. In addition, the department is unable to justify the overtime expense for the remaining positions on a workload basis.
- **Travel.** The department proposes \$66,000 for travel expenses. Our analysis indicates that if *both* the CEA position and the associate governmental program analyst position travel approximately 10 days a month (probably the maximum amount of travel), the travel expense should not exceed \$24,000, or \$42,000 less than the amount requested.
- **Computer Reports.** The department requests \$50,000 for computer reports from the Employment Development Department. Our review indicates that the CDC has not justified the request.
- **Marketing Contract.** The department is requesting \$100,000 for a marketing contract. Although the department was unable to justify the request, we recognize that some marketing study will probably be necessary to implement Proposition 139. We believe that such a study would cost about \$30,000.

For these reasons, we recommend that the operating expenses and equipment requested be reduced by \$218,000.

**Legislature Should Monitor Program's Progress.** Our analysis indicates that implementation of Proposition 139 would likely result in savings to the state because a portion of an inmate's wages would be available to reimburse the state for the costs of the inmate's room and board. In addition, the program could provide meaningful work experi-

ence to inmates which would assist in their transition to the community upon parole.

However, the cost effectiveness of the Joint Venture Program will depend on a number of factors, including the number of inmates employed, the amount of wages paid, the extent to which the state withholds inmate wages to offset incarceration costs, and the level of administrative costs for the program. We would note that a similar program in the Department of the Youth Authority — the Free Venture Program — has been relatively small and has suffered from a number of obstacles in expanding (we discuss this program in greater detail in our analysis of the Youth Authority — please see Item 5460).

We believe that it is important to closely monitor the implementation and cost-effectiveness of this program. Thus, we recommend the adoption of supplemental report language requiring the department to annually report on the program. The following supplemental report language is consistent with this recommendation:

The Department of Corrections shall report to the Legislature by November 1 of each year on its implementation of the Prison Inmate Labor Initiative of 1990. The report shall include at a minimum, the total cost of administering the program including staffing and all related operating expenses, the number of businesses contacted, the number of businesses established in prisons, capital outlay costs incurred, and room and board payments received by the department as a result of the program.

#### **Need for Maintenance Positions for McGee Correctional Training Facility Unclear**

*We withhold recommendation on six positions and the redirection of \$355,000 from the General Fund requested for maintenance and janitorial work at the McGee Correctional Training Facility pending receipt of additional information from the CDC.*

The CDC is requesting six maintenance and janitorial positions at the McGee Correctional Training Facility in Galt.

The McGee Correctional Training Facility is the training academy for all new correctional officers. Currently, the state leases the facility and requires the lessor to perform all maintenance work. Chapter 1420, Statutes of 1989 (SB 817, Presley), provided for the lease purchase and expansion of the facility commencing in 1991-92. With the purchase, the state also assumes responsibility for the maintenance of the facility. Once the department commences with the purchase, the current General Fund cost of \$653,600 for the lease payment will be redirected and payment will be made using lease purchase bond funds.

Specifically, the CDC is requesting to redirect \$355,000 of the total General Fund lease payment savings to fund maintenance and janitorial staff for the expanded facility. At the time this analysis was prepared, the CDC had not provided information concerning the cost of providing maintenance for the facility. However, it indicated that the information is available and will be forthcoming. Accordingly, we withhold recommendation on this request pending receipt of information from the

**DEPARTMENT OF CORRECTIONS—Continued**

department justifying the maintenance and janitorial staffing and supply expense.

**Capital Outlay**

The Governor's Budget proposes an appropriation of \$14.8 million in Item 5240-301-751 for capital outlay expenditures in the Department of Corrections. Please see our analysis of that item in the capital outlay section of this *Analysis*, which is in the back portion of this document.

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**BOARD OF CORRECTIONS**

Item 5430 from the General  
Fund and various special  
funds

Budget p. YAC 37

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Requested 1991-92.....	\$284,436,000
Estimated 1990-91 .....	172,979,000
Actual 1989-90 .....	162,197,000
Requested increase \$111,457,000 (+ 64 percent)	
Total recommended reduction.....	None

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**1991-92 FUNDING BY ITEM AND SOURCE**

Item—Description	Fund	Amount
5430-001-001—Support	General	\$560,000
5430-001-170—Support	Corrections Training	2,009,000
5430-001-725—Support	County Jail Capital Expenditure, Bond Act of 1981	1,151,000
5430-001-727—Support	County Jail Capital Expenditure, Bond Act of 1984	591,000
5430-001-751—Support	Prison Construction, Bond Act of 1990	70,000
5430-001-796—Support	County Correctional Facility Capital Expenditure and Youth Facilities, Bond Act of 1988	452,000
5430-101-170—Local assistance	Corrections Training	14,274,000
Total, Budget Bill Appropriations		(\$19,107,000)
Continuous appropriation—Local assistance	County Jail Capital Expenditure, Bond Act of 1981	\$2,631,000
Continuous appropriation—Local assistance	County Correctional Facility Capital Expenditure, Bond Act of 1986	143,297,000
Continuous appropriation—Local assistance	County Correctional Facility Capital Expenditure and Youth Facility, Bond Act of 1988	119,401,000
Total, State Funds		\$284,436,000

**SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS***Analysis  
page*

873

1. County Jail Overcrowding Will Worsen. County jails are currently 32 percent overcrowded and will increase to 50 percent overcrowded by 1995. Over 70 percent of the jail population is housed in jail systems which are under a court-ordered population cap. Because of fiscal constraints, many of these counties have struggled to open and fully operate recently constructed facilities.

**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 to counties for the construction and remodeling of county jail facilities.

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 has 50.7 personnel-years in the current year.

**MAJOR ISSUES**

- County jail overcrowding is worsening.
- Because of fiscal constraints, many counties have struggled to open and fully operate recently constructed facilities.

**OVERVIEW OF BUDGET REQUEST**

The budget proposes appropriations totaling approximately \$284 million from various state funds to support the Board of Corrections in 1991-92. Of this amount, only \$19.1 million is proposed from the appropriations in the Budget Bill. The remaining \$265 million consists of bond fund revenues that are proposed for expenditure from continuous statutory appropriations.

The total budget request represents an increase of \$111 million, or 64 percent, above estimated current-year appropriations. Nearly all of this increase is in expenditures of bond proceeds for the County Jail Construction Program. These expenditures fluctuate year to year de-

**BOARD OF CORRECTIONS—Continued**

pending on the cash flow needs of counties for their construction activities. The projected increase for the coming year reflects, in part, an increase in expenditures by the counties that are now involved in construction projects funded by the jail bond acts of 1986 and 1988.

Table 1 summarizes the board's expenditures by funding source for the past, current, and budget years.

**Table 1**  
**Board of Corrections**  
**Budget Summary**  
**1988-89 through 1990-91**  
**(dollars in thousands)**

<i>Program</i>	<i>Actual 1989-90</i>	<i>Est. 1991-91</i>	<i>Prop. 1991-92</i>	<i>Percent Change From 1990-91</i>
Standards for detention facilities .....	\$619	\$814	\$836	2.7%
Standards and training .....	14,452	16,246	16,283	0.2
Administration .....	(1,823)	(1,972)	(2,009)	1.9
Local assistance .....	(12,629)	(14,274)	(14,274)	—
Jail construction finance .....	147,126	155,919	267,324	71.5
Administration .....	(1,761)	(1,987)	(1,995)	0.4
Local assistance .....	(145,365)	(153,932)	(265,329)	72.4
Unallocated reduction .....	—	—	-7	— <sup>a</sup>
Totals, Expenditures .....	\$162,197	\$172,979	\$284,436	64.4%
<b>Funding Sources</b>				
<i>General Fund</i> .....	\$521	\$551	\$560	1.6%
<i>Corrections Training Fund</i> .....	14,452	16,246	16,283	0.2
<i>County Correctional Facility Capital Expendi- ture Fund, Bond Act of 1986</i> .....	78,835	100,462	143,297	42.6
<i>County Jail Capital Expenditure Fund, Bond Act of 1981</i> .....	18,944	9,629	3,782	-60.7
<i>County Jail Capital Expenditure Fund, Bond Act of 1984</i> .....	3,401	—	591	— <sup>a</sup>
<i>County Correctional Facility Capital Expendi- ture and Youth Facility Fund, Bond Act of 1988</i> .....	13,129	39,606	119,853	202.6
<i>Prison Construction Fund, Bond Act of 1988</i> ...	32,915	6,485	—	-100.0
<i>Prison Construction Fund, Bond Act of 1990</i> ...	—	—	70	— <sup>a</sup>
Personnel-Years .....	41.9	50.7	50.7	—

<sup>a</sup> Not a meaningful figure.

**ANALYSIS AND RECOMMENDATIONS****Board Will Administer New Program for Construction of Joint State-County Facilities**

Chapter 1594, Statutes of 1990 (SB 2000, Presley), enacted the Substance Abuse Community Treatment Act. The act made a significant shift in the state's correctional planning priorities and expanded the duties of the board. The Governor's Budget requests \$70,000 from the Prison Construction Fund, Bond Act of 1990, to begin implementation of the program in 1991-92.

**Background.** Chapter 1954 established "substance abuse community correctional detention centers" to house and manage specified offenders,

including state parole violators, persons sentenced to state prison for short periods of time, and sentenced local offenders who have a history of substance abuse. The centers are to be designed and operated in a joint effort between the state and counties.

**Funding.** The legislation established a Substance Abuse Community Correctional Detention Centers Fund within the Board of Corrections and earmarked a total of \$15 million from the New Prison Construction Bond Act of 1990 to establish the centers. Funds will be appropriated by the Legislature, and the board will administer the program.

**Scope of Program.** The board estimates that the \$15 million earmarked for the program will provide approximately 300 to 500 beds. Chapter 1594 requires the board to give priority to funding construction of centers in urban counties, and specifies that up to \$13.5 million of the total funds be used for urban facilities. At least 50 percent of the beds in the centers must be designated for state Department of Corrections' (CDC) inmates. Ultimately, the CDC will contract with counties for allotted bed space and programming of state inmates.

**Board's Implementation Plan.** The new Substance Abuse Community Correctional Detention Centers Fund is not included in the Governor's Budget, although the budget requests \$70,000 from the Prison Construction Fund, Bond Act of 1990, for the board to take preliminary steps to implement the program. Our analysis indicates that this request is reasonable and consistent with provisions of Chapter 1594. The budget does not request any funds to distribute to counties for construction of the new centers.

The board advises that it is currently establishing an advisory board that will include representatives from the CDC, local correctional agencies, and drug treatment and employment development agencies. There has been some interest in the program from urban counties, primarily in attaching substance abuse detention centers to existing county-owned facilities. The board envisions that there will be three to five model demonstration projects within urban areas. The board plans to issue a request for proposals to counties by September 1991. The first substance abuse community correctional detention centers will likely be completed in 1993-94.

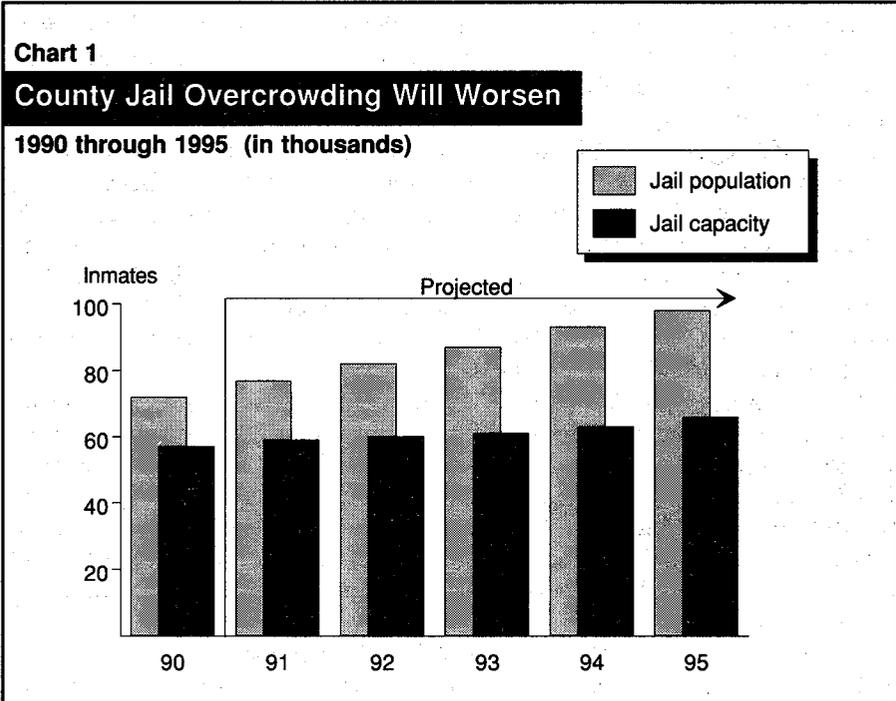
Chapter 1594 requires that the funds for construction of the centers be appropriated by the Legislature. Presumably, since the Governor's Budget does not include any funds for this purpose, funds will have to be appropriated in the 1992 Budget Act or in separate legislation.

#### **County Jail Overcrowding Will Worsen**

*County jails are currently 32 percent overcrowded and will be 50 percent overcrowded by 1995. Over 70 percent of the total jail population in California is housed in jail systems which are under a court-ordered population cap. Because of funding constraints, many counties have struggled to open and fully operate recently constructed facilities.*

**BOARD OF CORRECTIONS—Continued**

County jails are currently 32 percent overcrowded and are projected to be about 50 percent overcrowded by 1995. Chart 1 shows the populations and bed capacities of California's county jails.



As the chart indicates, the bed capacity of county jails is projected to increase by 14 percent between 1990 and 1995, from 57,328 to 65,600. During that same period, the average daily population in county jails is projected to increase 35 percent, from 72,475 to nearly 100,000.

**Court-Ordered Population Caps.** Over 70 percent of the persons housed in the state's county jails are housed in systems which are under a court-ordered population cap. These population caps are applied to many of the largest counties in the state, including Los Angeles, Orange, San Diego, Riverside, and San Bernardino.

**Voters Reject New Jail Bond Proposal.** In November 1990, the voters rejected the County Correctional Facility Capital Expenditure and Juvenile Facility Bond Act of 1990 (Proposition 147), which would have provided an additional \$150 million for construction and remodeling of county jails. The measure would have permitted counties to construct up to 3,000 additional beds. Thus, even if this measure had been approved, county jail overcrowding would have still approached the 50 percent mark.

**Increasing Operating Costs.** Many counties are reporting difficulty supporting and staffing new jails. A study by the board issued last year

found that, over a 30-year life cycle, operating costs of county jails are 14 to 19 times as costly as state-subsidized construction costs.

Due to funding constraints, even counties with great demands for jail beds are finding it difficult to support and staff new or future jails. Facilities in four counties (Contra Costa, Kern, Riverside, and San Bernardino) delayed opening jail facilities from three months to a year due to funding and staffing constraints. In addition, at the time this analysis was prepared, San Diego County had not budgeted the operating costs of its soon-to-be-completed 1,000-bed facility. San Diego officials advise that, most likely, two existing facilities will have to be closed in order to partially operate the new facility.

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### BOARD OF PRISON TERMS

Item 5440 from the General

Fund

Budget p. YAC 44

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Requested 1991-92.....	\$13,452,000
Estimated 1990-91 .....	13,313,000
Actual 1989-90 .....	11,290,000
Requested increase \$139,000 (+1.0 percent)	
Total recommended reduction.....	1,212,000

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#### SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS

*Analysis  
page*

1. *Staffing Requirements for Parole Revocation Hearings.* 876  
*Reduce Item 5440-001-001 by \$1,212,000.* Recommend enactment of urgency legislation to reduce the number of persons required to conduct parole revocation hearings, for a savings of \$1.2 million annually.

#### GENERAL PROGRAM STATEMENT

The Board of Prison Terms (BPT) 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.
- Advises the Governor on applications for clemency.

The board has 153.3 personnel-years in the current year.

## BOARD OF PRISON TERMS—Continued

### OVERVIEW OF THE BUDGET REQUEST

The budget proposes an appropriation of \$13.5 million from the General Fund for support of the BPT in 1991-92. As shown in Table 1, this is an increase of \$139,000, or 1.0 percent, above estimated current-year expenditures. The proposed augmentation reflects increased workload for parole and parole revocation hearings and death penalty reviews, as well as various other workload and cost increases.

In addition, the Governor's Budget includes an unallocated trigger-related reduction of \$249,000 in funding for the BPT. This reduction is included in the proposed budget for the BPT in lieu of the reduction that would otherwise be made pursuant to Ch 458/90 (AB 2348, Willie Brown).

**Table 1**  
**Board of Prison Terms**  
**Program Summary**  
**1989-90 through 1991-92**  
**(dollars in thousands)**

	Actual	Est.	Prop.	Change From 1990-91	
	1989-90	1990-91	1991-92	Amount	Percent
Expenditures (General Fund).....	\$11,290	\$13,313	\$13,701	\$388	2.9%
Unallocated reduction .....	—	—	-249	-249	— <sup>a</sup>
Totals.....	\$11,290	\$13,313	\$13,452	\$139.0	1.0%
Personnel-years.....	144.5	153.3	152.1	-1.2	-0.8%

<sup>a</sup> Not a meaningful figure.

## ANALYSIS AND RECOMMENDATIONS

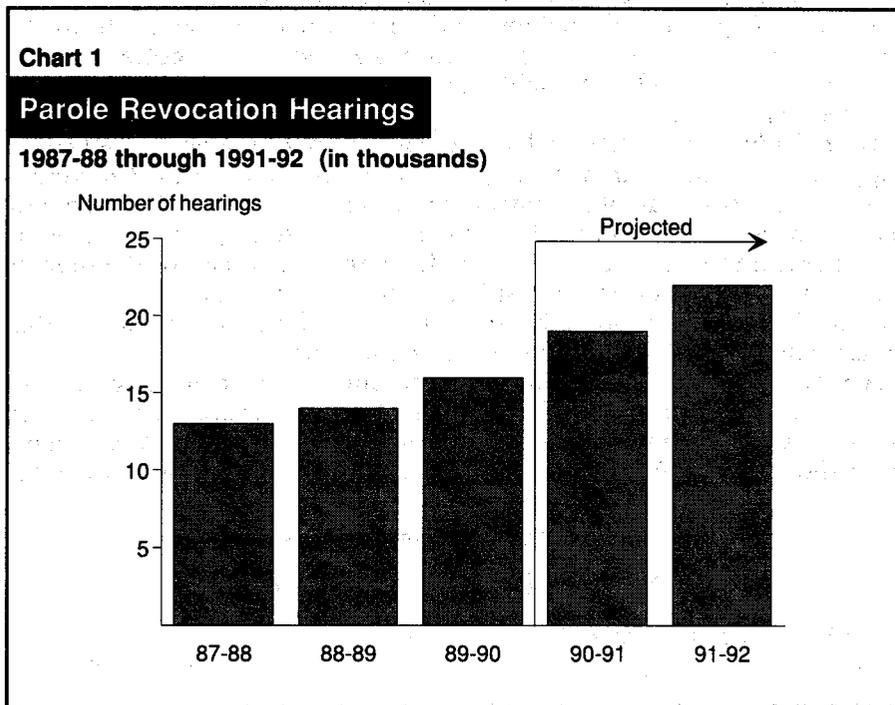
### Reduce Staffing Requirements for Parole Revocation Hearings

*We recommend enactment of urgency legislation to reduce the number of persons required to conduct parole revocation hearings. We further recommend a General Fund reduction of \$1.2 million to reflect the savings that will result from the enactment of the proposed legislation. (Reduce Item 5440-001-001 by \$1,212,000.)*

**Background.** A primary responsibility of the board is conducting parole revocation hearings. When a person paroled from state prison is charged with a parole violation, the Department of Corrections' (CDC) Paroles Division may refer the parolee to the BPT for a parole revocation hearing. If parole is revoked, the parolee returns to prison for up to 12 months.

**Legal Requirements.** Under current law, the BPT must conduct parole revocation hearings with panels of not less than two persons. In most cases, two deputy commissioners serve on the panel. As the result of a court decision, the BPT must conduct a revocation hearing in southern California within 30 days of a parolee's incarceration for a parole violation (hearings must be conducted within 45 days in northern California). At the time this analysis was prepared, the board indicated that the average time to conduct a revocation hearing was 39 days, or nine days longer than its court-mandated limit in southern California.

**Budgetary Constraints.** The parole hearing workload is projected to increase by 17 percent in 1991-92, as shown in Chart 1. However, the budget requests an increase of only one deputy commissioner position to meet this increased workload. Given consistent workload increases over the past several years and budgetary constraints, the BPT has only been able to fill approximately two of every three allocated deputy commissioner positions.



**Legislation Should Be Enacted to Modify Legal Requirements.** We recommend that the Legislature enact legislation to revise the existing law to reduce from two to one the number of persons required to conduct parole revocation hearings. We outline the reasons below.

**Most Decisions Are Made Outside of the Hearing Process.** Before a hearing is conducted, the BPT conducts an initial revocation "screening" with the parolee. Essentially, the screening process is a form of plea bargaining. If the parolee declines the initial screening offer, he or she then goes to a parole revocation hearing. Nearly 70 percent of revocation decisions are made at the screening and *revocation screenings are conducted by only one deputy commissioner.*

**Limited Discretion Within the BPT.** The BPT uses sentencing guidelines to determine (1) when a parolee should be returned to prison and (2) the length of the parolee's sentence. Approximately 98 percent of parolees referred by the CDC to the BPT are returned to prison. Thus, our analysis indicates that the deputy commissioners have limited

**BOARD OF PRISON TERMS—Continued**

discretion in the parole revocation process. In fact, the CDC's referral of the parolee to the BPT is the critical decision in the revocation process.

*Most Administrative Hearings Use One Hearing Officer.* Ninety-seven percent of hearings conducted pursuant to the California Administrative Procedure Act are presided over by one hearing officer. No other state agency, including the Office of Administrative Hearings, uses more than one hearing officer for administrative hearings.

*Improved Efficiency.* Revision of the law would enable the board to simplify scheduling of hearings. In turn, BPT would be better able to meet the court mandate to hold a revocation hearing within 30 days of parolee detainment.

*Cost Savings.* The BPT will spend roughly \$5.4 million in 1991-92 to support 50 deputy commissioners and their related duties. Currently, slightly more than half of a deputy commissioner's workload is devoted to parole revocation hearings. We estimate that reducing the number of deputies from two to one would save the state approximately \$1.2 million and 11 deputy commissioner positions in the budget year. Given current staffing levels, the board advises that it would be able to make this adjustment without laying off deputy commissioners.

*Analyst's Recommendation.* We recommend the enactment of urgency legislation to reduce the number of persons required to conduct parole revocation hearings. We recommend a reduction of \$1.2 million from the General Fund in anticipation of the enactment of this legislation.

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**YOUTHFUL OFFENDER PAROLE BOARD**

Item 5450 from the General Fund

Budget p. YAC 46

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Requested 1991-92.....	\$3,452,000
Estimated 1990-91 .....	3,458,000
Actual 1989-90 .....	3,047,000
Requested decrease \$6,000 (-0.002 percent)	
Total recommended reduction.....	None

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**SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS**

*Analysis page*

1. Parole Consideration Dates. Recommend that the board report to the Legislature prior to budget hearings on why its parole consideration dates (PCDs) exceed the board's guidelines.

879

**GENERAL PROGRAM STATEMENT**

The Youthful Offender Parole Board (YOPB) 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 39.1 personnel-years in the current year.

### **ANALYSIS AND RECOMMENDATIONS**

The budget proposes an appropriation of \$3.5 million from the General Fund for support of the YOPB in 1991-92. This is a decrease of \$6,000, or less than 1 percent, below estimated expenditures in the current year.

The decrease is primarily due to an unallocated trigger-related reduction of \$114,000 in funding for the board. This reduction is included in the proposed budget for the YOPB in lieu of the reduction that would otherwise be made pursuant to Ch 458/90 (AB 2348, Willie Brown).

### **YOPB Decisions Regarding Parole Consideration Dates Need Review**

*We recommend that the YOPB report to the Legislature prior to budget hearings on its reasons for setting parole consideration dates which exceed the board's guidelines, particularly for certain moderate ("Category 6") offenses.*

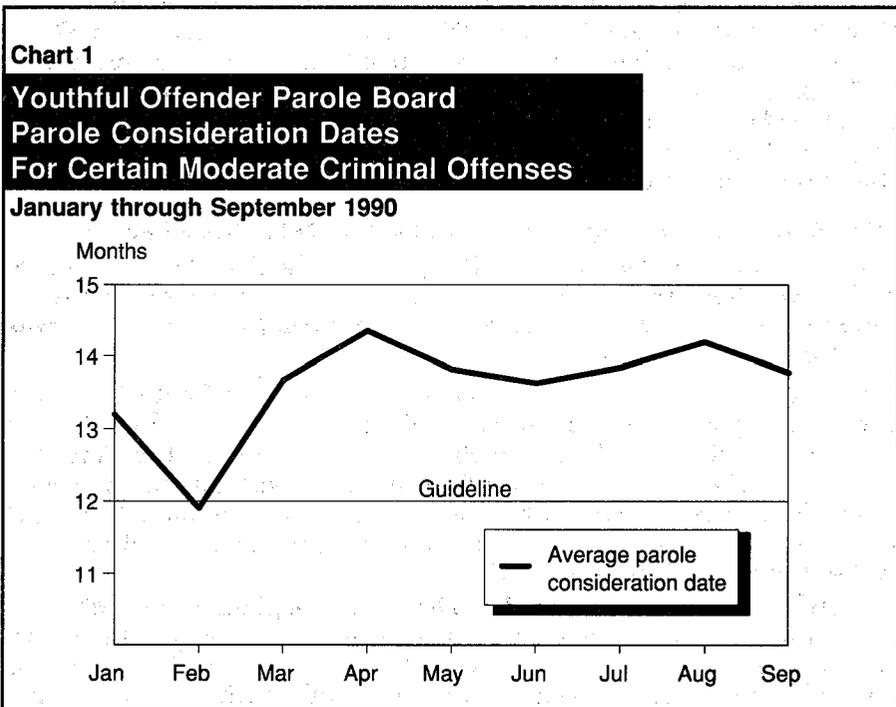
The YOPB is responsible for paroling wards from the Youth Authority. The board's parole release decision-making system is based on "parole consideration dates" (PCDs) which represent the interval of time that the board believes the ward should stay in a Youth Authority facility before he or she is ready to be released to the community. This PCD system is set forth in Title 15 of the Administrative Code issued pursuant to the Welfare and Institutions Code.

*Legislative Interest in YOPB Decisions.* Beginning in 1986, the Legislature placed increased scrutiny over the board's actions by requiring the board to make periodical reports on its parole actions. This was primarily the result of concern over the Youth Authority's increasing population and accompanying increase in General Fund costs to support the institutions program. Since that time, the YOPB has attempted to remain within the guidelines established by the board for setting PCDs, which has also led to decreases in the overall average lengths-of-stay in Youth Authority institutions. This, in turn, has contributed to slowing the overall growth of Youth Authority populations, especially since 1988.

*Average PCDs for Certain Moderate Offenses Remain Above Board Guidelines.* To set PCDs, the board follows a system of seven offense categories, ranging from the most serious offenses, such as first degree murder in Category 1, to relatively moderate offenses, such as technical parole violations in Category 7. The PCD guidelines range accordingly from seven years for Category 1 offenses, to one year or less for Category 7 offenses.

**YOUTHFUL OFFENDER PAROLE BOARD—Continued**

Despite the progress that the board has made in conforming its actions to its guidelines, the average PCDs for one category of offenses, Category 6, have remained above the guideline. Category 6 offenses are relatively moderate offenses that include possession of concealed weapons, attempted burglary, among others. Chart 1 displays the average PCDs for Category 6 offenses over the first nine months of 1990. On average, Category 6 cases for this nine-month period made up about 26 percent of the total cases for which the board conducted hearings to set PCDs. The guideline for this category is one year; however, for this time period, the board exceeded its guideline by an average of 1.6 months per ward.



**Analyst's Concerns.** If the board exceeds its guidelines consistently, the impact is realized in terms of overall increases in the Youth Authority's institutional lengths-of-stay and population increases, and eventually, the need for additional beds. The Youth Authority has estimated that every one-month increase in the average overall length-of-stay generally results in the need for an additional 400 institutional beds. Based on the projected 1991-92 average Youth Authority institutional per capita cost, 400 additional beds would result in annual support costs of about \$13 million.

**Recommendation.** We believe that the Legislature should review the board's actions in order to maintain the balance between the need for the board to carry out its mandate and the need to curtail actions which

result in significant institutional costs to the state. Because the YOPB is the ultimate authority regarding parole and length-of-stay, its decisions affect the Youth Authority's budget as well as its own. Given these considerations, we believe that prior to budget hearings the board should report to the Legislature regarding its policies for parole and its reasons for exceeding its own established guidelines.

**DEPARTMENT OF THE YOUTH AUTHORITY**

Item 5460 from the General  
Fund and various other funds

Budget p. YAC 48

Requested 1991-92.....	\$406,369,000
Estimated 1990-91 .....	406,318,000
Actual 1989-90 .....	395,361,000
Requested increase \$51,000	
Total recommended reduction.....	None
Recommendation pending .....	1,035,000

**1991-92 FUNDING BY ITEM AND SOURCE**

Item—Description	Fund	Amount
5460-001-001—Support	General	\$297,554,000
5460-001-796—Support	County Correctional Facility Capital Expenditure and Youth Facility, Bond Act of 1988	348,000
5460-001-831—Support	California State Lottery Education	1,382,000
5460-001-890—Support	Federal Trust	1,167,000
5460-011-001—Education programs	General, Proposition 98	32,020,000
Continuous Appropriation—Support	County Correctional Facility Capital Expenditure, Bond Act of 1986	15,000
5460-101-001—Local assistance	General	40,641,000
Continuous Appropriation—Local assistance	County Correctional Facility Capital Expenditure, Bond Act of 1986	3,028,000
Continuous Appropriation—Local assistance	County Correctional Facility Capital Expenditure and Youth Facility, Bond Act of 1988	12,128,000
Reimbursements	—	18,086,000
Total		\$406,369,000

**DEPARTMENT OF THE YOUTH AUTHORITY—Continued**

	<i>Analysis page</i>
<b>SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS</b>	
1. Ward Population Growth. Withhold recommendation on \$1 million requested from the General Fund to accommodate ward population changes, pending receipt and analysis of additional population and facilities information to be contained in the May Revision.	886
2. Free Venture Program. Recommend that the CYA provide more detailed information in its April 1991 report to the Legislature on the types of projects pursued, possible guarantees against sudden cancellation of contracts by clients, and options for restructuring the earnings withholding mechanism to increase resources for the state.	888

**GENERAL PROGRAM STATEMENT**

The Department of the Youth Authority (CYA) 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.

The department has 5,070.9 personnel-years in the current year.

**MAJOR ISSUES**

- The Youth Authority projects that the ward population will increase by only 19 wards and the parole population will increase by only three parolees in the budget year. A number of factors, however, may result in adjustments to the projections later in the spring.
- The combined effects of the increase in the ward population and the activation of the new N. A. Chaderjian School will result in institutions operating at 121.9 percent of capacity.
- The Free Venture Program, which employs wards in private industries within the institutions, needs additional legislative review as it attempts to expand.

**OVERVIEW OF THE BUDGET REQUEST**

The budget proposes expenditures of \$406.4 million from the General Fund, various special funds, and reimbursements to support the activities of the Youth Authority in 1991-92. This is an increase of \$51,000, or less than 0.1 percent, above estimated current-year expenditures. Table 1 provides a summary of the department's total expenditures and staffing levels, by program, for the past, current, and budget years. The budget also includes an unallocated trigger-related reduction of \$7.4 million in lieu of the reduction that would otherwise be made pursuant to Ch 458/90 (AB 2348, Willie Brown).

**Table 1**  
**Department of the Youth Authority**  
**Program Summary**  
**1989-90 through 1991-92**  
**(dollars in thousands)**

<i>Program</i>	<i>Actual 1989-90</i>	<i>Est. 1990-91</i>	<i>Prop. 1991-92</i>	<i>Percent Change From 1990-91</i>
Prevention and Community Corrections.....	\$83,508	\$60,490	\$57,247	-5.4%
Institutions and Camps .....	274,279	304,646	311,992	2.4
Parole Services .....	37,289	40,965	44,338	8.2
Administration:				
Undistributed .....	285	217	217	—
Distributed .....	(15,248)	(17,029)	(17,290)	1.5
Unallocated reduction .....	—	—	-7,425	— <sup>a</sup>
Totals.....	\$395,361	\$406,318	\$406,369	—
Funding Sources				
<i>General Fund</i> .....	\$364,127	\$365,991	\$370,215	1.2%
<i>County Correctional Bond Fund of 1986</i> .....	8,600	6,046	3,043	-49.7
<i>County Correctional Bond Fund of 1988</i> .....	546	12,666	12,476	-1.5
<i>New Prison Construction Bond Fund of 1988</i> ...	797	—	—	—
<i>New Prison Construction Bond Act of 1990</i> ....	—	304	—	— <sup>a</sup>
<i>California State Lottery Education Fund—   California Youth Authority</i> .....	634	1,317	1,382	4.9
<i>Federal Trust</i> .....	985	1,172	1,167	-0.4
<i>Reimbursements</i> .....	19,672	18,822	18,086	-3.9
<i>Personnel-Years</i>				
Prevention and Community Corrections.....	43.9	53.8	52.0	-3.3%
Institutions and Camps .....	4,199.8	4,412.5	4,463.6	1.2
Parole Services .....	320.1	375.7	390.9	4.0
Administration .....	269.7	228.9	263.0	14.9
Totals.....	4,833.5	5,070.9	5,169.5	1.9%

<sup>a</sup> Not a meaningful figure.

The department's proposed budget changes are summarized in Table 2, by funding source. The changes include a net increase of \$3.3 million in state operations (all funds and reimbursements) and a decrease of \$3.3 million in local assistance. The increase in state operations primarily is due to increases in costs for employee compensation, population adjustments, and special education. The local assistance decrease is due primarily to decreased expenditures for county juvenile facilities from the County Correctional Facility Bond Funds of 1986 and 1988.

## DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Table 2  
Department of the Youth Authority  
Proposed 1991-92 Budget Changes  
(dollars in thousands)

	General Fund		Bond Funds <sup>a</sup>		Lottery Educa- tion Fund	Federal Trust Fund and Reimburse- ments	Total
	State Opera- tions	Local Assist- ance	State Opera- tions	Local Assist- ance			
1990-91 Expenditures (Revised) ..	\$325,086	\$40,905	\$852	\$18,164	\$1,317	\$19,994	\$406,318
<i>Proposed Changes:</i>							
<i>Workload Adjustments</i>							
Ward and parole population .....	\$2,571	—	—	—	—	—	\$2,571
Deficiency adjustment .....	-193	—	—	—	—	—	-193
Other .....	-1,325	—	5	—	—	-753	-2,073
Subtotal, Workload Adjust- ments .....	(\$1,053)	(—)	(\$5)	(—)	(—)	(-\$753)	(\$305)
<i>Cost Adjustments</i>							
Employee compensation .....	\$9,769	—	\$16	—	-\$1,218	—	\$8,567
Full-year cost adjustments .....	517	—	—	—	—	—	517
Reduction of one-time costs .....	-1,540	—	—	—	—	—	-1,540
Bond allocations to local govern- ments .....	—	—	—	-\$3,008	—	—	-3,008
Carry-over appropriation expenditures .....	—	—	-201	—	—	—	-201
Unallocated reduction .....	-7,161	-\$264	—	—	—	—	-7,425
Other .....	26	—	—	—	—	-\$13	13
Subtotal, Cost Adjustments .....	(\$1,611)	(-\$264)	(-\$185)	(-\$3,008)	(-\$1,218)	(-\$13)	(-\$3,077)
<i>Program Changes</i>							
Special education .....	\$1,824	—	—	—	—	—	\$1,824
Bond-funded positions .....	—	—	-\$309	—	—	—	-309
Lottery-funded programs .....	—	—	—	—	\$1,283	—	1,283
Juvenile justice and delinquency prevention program .....	—	—	—	—	—	\$25	25
Subtotal, Program Changes .....	(\$1,824)	(—)	(-\$309)	(—)	(\$1,283)	(\$25)	(\$2,823)
1991-92 Expenditures (Proposed) ..	\$329,574	\$40,641	\$363	\$15,156	\$1,382	\$19,253	\$406,369
<i>Change from 1990-91:</i>							
Amount .....	\$4,488	-\$264	\$489	-\$3,008	\$65	-\$741	\$51
Percent .....	1.4%	-0.6%	-57.4%	-16.6%	4.9%	-3.7%	—

<sup>a</sup> Bond Funds include the County Correctional Facility Capital Expenditure Bond Funds of 1986 and 1988 and the New Prison Construction Bond Act of 1990

The budget proposes an increase of \$4.5 million, or 1.4 percent, from the General Fund for the department's state operations budget for 1991-92. Specifically, this includes a net increase of \$1.1 million for population-related changes, \$1.6 million for cost adjustments including employee compensation, and \$1.8 million for increased special education costs.

**Proposition 98.** Chapter 82, Statutes of 1989 (SB 98, Hart), and Ch 83/89 (AB 198, O'Connell), specify which state agencies are eligible to receive support for educational programs from Proposition 98. Because of these measures, the education programs of the Youth Authority are

eligible to receive Proposition 98 funding. The department's proposed General Fund budget includes \$32 million in such support for 1991-92.

## **ANALYSIS AND RECOMMENDATIONS**

### **STATE OPERATIONS**

*We recommend approval of the following program changes:*

- An increase of \$97,000 from the General Fund for the purchase of computer equipment to enable employment specialists, as part of an ongoing interagency agreement with the Employment Development Department, to access job placement information for parolees.
- A redirection of \$95,000 from medical services to establish a new hospital administrator position in the southern division of the Institutions and Camps Branch.
- The establishment of one half-time position in the Juvenile Justice Unit within the Prevention and Community Corrections Branch, to be funded by \$25,000 in reimbursement funds from the Office of Criminal Justice Planning for services related to the Federal Juvenile Justice and Delinquency Prevention Program.
- Delete four bond-funded positions from the Facilities Planning Division and reduce 1990 Prison Bond Funds by \$309,000.

*Positions Established to Comply With State and Federal Regulations for Special Education.* The budget proposes \$1.8 million in Proposition 98 funds to establish 60.5 special education positions. The CYA has been reviewed by the federal Department of Education's Office of Civil Rights and the state Department of Education and found to be out of compliance with federal and state special education requirements. In addition, the department is currently being sued by the Youth Law Center for noncompliance in the special education program, paralleling the findings of the state and federal agencies. The positions would be established in order to provide the identification, educational planning, and placement services entitled by wards with specified educational needs, pursuant to written agreements with the state and federal agencies and a court order resulting from the lawsuit to provide the federally required services.

*Employee Health and Safety Network Established.* The budget proposes to establish 16.5 health and safety officer positions funded by a redirection of \$644,000 from the Workers' Compensation/Industrial Disability Leave (IDL) Program. In an effort to begin addressing the issue of the dramatically increasing costs for workers' compensation claims against the department, the CYA has established various programs within its departmental safety office. In addition to the network of health and safety officers established by this redirection, the department has also implemented an Early Intervention Program aimed at reducing the costs for the workers' compensation program, as directed by the Legislature last year. The Legislature adopted language in the *Supplemental Report of the 1990 Budget Act* directing the department to provide information to the Legislature on the progress of the Early Intervention Program in November 1991.

**DEPARTMENT OF THE YOUTH AUTHORITY—Continued**  
**Population Estimates Uncertain**

*We withhold recommendation on \$1 million requested from the General Fund to accommodate the projected ward and parolee population changes, pending receipt and analysis of the revised budget proposal, population projections, and construction schedules to be contained in the May revision, as well as the department's Population Management and Facilities Master Plan.*

The budget proposes a net increase of \$1 million from the General Fund to accommodate ward and parolee population changes in the budget year. The amount includes an increase of \$1.1 million for increases in the ward population, which is offset by a reduction of \$25,000 due to the nominal increase in projected parolee population (three cases). The bulk of the proposed increase will go towards the activation of the new N. A. Chaderjian School in Stockton, which is scheduled for February 1991. The Youth Authority's 1991-92 ward population management plan is summarized in Table 3.

**Table 3**  
**Department of the Youth Authority**  
**1991-92 Ward Housing Plan**

Department Facilities	County	1991-92 Population Management Plan			Overcrowding Status	
		1990-91 End-of-Year Population	Budget Adjust- ment	1991-92 End-of-Year Population	1991-92 Bed Capacity <sup>a</sup>	Percent of Capacity
Northern Reception Center						
Clinic.....	Sacramento	488	—	488	326	149.7%
Southern Reception Center						
Clinic.....	Los Angeles	570	—	570	350	162.9
Fred C. Nelles School.....	Los Angeles	784	—	784	650	120.6
O.H. Close School.....	San Joaquin	417	—	417	379	110.0
Karl Holton.....	San Joaquin	422	—	422	388	108.8
N. A. Chaderjian.....	San Joaquin	656	37	693	600	115.5
El Paso de Robles School.....	San Luis Obispo	766	—	766	650	117.8
Ventura School.....	Ventura	828	-18	810	576	140.6
Dewitt Nelson Training Center.	San Joaquin	491	—	491	400	122.8
Preston School of Industry.....	Amador	814	—	814	720	113.1
Stark Youth Training School....	San Bernardino	1,440	—	1,440	1,200	120.0
Conservation camps.....	various	431	—	431	420	102.6
<i>Other Facilities</i>						
Federal facilities.....	various	25	—	25	25	100.0
Northern County leased beds...	Butte, Del Norte, Siskiyou	12	—	12	12	100.0
Totals.....		8,144	19	8,163	6,696	121.9%

<sup>a</sup>Includes the elimination of 132 beds in three facilities, with the associated population to be absorbed into other facilities.

**Ward Housing Plan for the Budget Year.** Table 3 shows that the department anticipates that the ward population will increase by 19 wards in 1991-92. The combined effect of the newly activated N. A. Chaderjian School and minor increases in ward population result in an overcrowding rate of 121.9 percent, which is only 0.8 percent higher than that projected for the current year.

**Population Estimate Concerns.** Our analysis indicates that the department's ward population request is based on assumptions regarding first admissions to CYA, the future actions of the Youthful Offender Parole Board (YOPB), and the success of certain alternative programs. We have several concerns with these assumptions and believe it is likely that the population estimates that are reflected in the May revision of the budget will be higher than what is assumed in the Governor's Budget.

**Projected First Admissions Exclude Potential Impact of Cuts to CJSSP.** There are two types of admissions to the CYA that are factored into the population projections. These include first admissions from juvenile or criminal court and parole violator admissions. The majority of the CYA's admissions are juvenile court first admissions, which the department estimates will be 2,555 in 1991-92. The department indicates that first admissions to the CYA from juvenile court began to decline in 1987-88. According to the CYA, this drop *appears* to be driven by decreases in admissions from Los Angeles County. Because the reasons for the decline in juvenile court first admissions are not clear, the department has assumed that the admission rate will remain at the 1989-90 level of 109.9 per 100,000 Californians in the age range of 12 to 17 years. The department projects that the rate will remain stable through 1994-95.

The projected number of first admissions does not include any potential effects of budget reductions made in the current year to the County Justice System Subvention Program (CJSSP). Funding for CJSSP supports various local programs aimed at avoiding commitments to the Youth Authority. To the extent that cuts in funding for such programs result in the elimination of local alternatives and increases in CYA commitments, the number and rate of first admissions may increase. (We discuss the CJSSP in our analysis of local assistance programs.)

**Population Projections Based on Actions of YOPB.** In recent years, the YOPB has attempted to reverse its past trend of setting parole consideration dates (PCDs, or the interval of time that the board believes a ward should stay in an institution) that exceed the board's own guidelines. In addition, the YOPB and the CYA use "time-adds" and "time-cuts" (time added to or reduced from the initial PCD) as disciplinary tools for the wards, which average 1.8 additional months per ward per year.

The combined effect of these YOPB actions can either reduce or increase the overall average institutional length-of-stay for wards, thereby affecting the population projections either positively or negatively. The department has assumed that the average length-of-stay for wards will decrease from 22.1 months in 1990-91 to 21.5 months in 1991-92. By the time of the May revision, the Youth Authority will have several months of additional data to use in assessing the trends in YOPB actions. (For further discussion of YOPB actions regarding parole consideration dates, please see Item 5450.)

**Bed Savings from Alternative Programs are Likely to be Less Than Estimated.** Since 1987-88, the CYA has received funding to operate

**DEPARTMENT OF THE YOUTH AUTHORITY—Continued**

several alternative programs that are designed to reduce the need for institutional beds. The department is assuming that these programs will reduce the need for 424 beds in the budget year. This number includes savings of 154 beds resulting from the following new and expanded alternative programs:

- *Electronically Enhanced Parole Release Program.* This is a new program which would provide for the early parole of certain wards, placing them on intensive supervision status which would be enhanced through the use of electronic surveillance equipment.
- *Fouts Springs Ranch Parole Detention Program,* which is proposed for a 10-bed expansion. This program provides alternative treatment for parolees who are at risk of returning to a CYA institution.
- *Southern California Drug Treatment Program,* which the department proposes to expand by 15 beds. This program is modeled after the Fouts Springs Program and offers similar services.

The department has had varying degrees of success implementing alternative bed savings programs. Some programs, such as the institutional programs for parole violators and substance abusers have been delayed or are in the early stages of implementation. Due to these delays, the actual bed savings associated with these alternatives are likely to be less than estimated in the Governor's Budget.

*The Department Has Not Submitted Its Population Management and Facilities Master Plan.* In the *Supplemental Report of the 1986 Budget Act*, the Legislature directed the CYA to prepare and submit annually a long-range population management report which evaluates various alternatives for alleviating the overcrowding in Youth Authority institutions. At the time this analysis was prepared, the department had not yet submitted its 1991 master plan to the Legislature.

The master plan will contain information regarding the department's future plans for construction and overcrowding policies, as well as its population projections and demographic information. We believe that it will be particularly important for the Legislature to have this information before it acts on the department's budget proposal.

*Summary.* Pending receipt and review of the revised budget proposal, population projections and construction schedules contained in the May revision, and the department's master plan, we withhold recommendation on \$1 million requested from the General Fund to support ward and parole population changes.

**Free Venture Program Needs Legislative Review**

*We recommend that during budget hearings the department include in its April 1991 report to the Legislature on the Free Venture Program (1) a discussion of the types of projects being pursued, (2) specific information on the department's ability (or inability) to secure certain guarantees to avoid sudden contract cancellations, and (3) the options for restructuring the withholdings mechanism to allow for increased resources for the state.*

**Background.** The Free Venture Program consists of partnership agreements between the CYA and private industry or state agencies to provide useful work experience to wards within the confines of the department's institutions. The program was first implemented by the CYA in 1984 to help prepare wards to enter the work force upon release from the institutions and to provide wards with the means to:

- Reduce the cost of incarceration by utilizing a portion of their wages (20 percent of net earnings) to reimburse the state for room and board during their institutional stay.
- Increase accountability for their offenses by paying restitution (15 percent of gross earnings) to victims of crime.
- Increase responsibility to society through the payment of taxes and family support.
- Plan for their futures by withholding a portion of their wages (40 percent of net earnings) in accumulated savings for financial responsibilities and family support when released on parole.

**Free Venture Projects Provide Varied Work Experience and Resources for Participating Wards.** Since the establishment of the program, the department has entered into agreements for 22 different projects, employing a total of more than 1,000 wards. The type of work involved in the projects has ranged from garment manufacturing to refurbishing motor vehicles to processing change-of-address forms for a division of the Department of General Services. The average length of these Free Venture contracts is 19 months, with the longest running contract being the ongoing project with Trans World Airlines, Inc., which began in 1986.

As of September 1990, the total earnings from all Free Venture projects since the program was established in 1984 was \$2.4 million. Of this amount, \$200,000 in state and federal taxes have been collected. In addition, the General Fund has received \$388,000 to offset the costs of room and board for the wards. Restitution for victims of crime amount to \$316,000, while savings and trust withholdings for the wards' personal use total \$1.3 million.

Table 4 displays the projects currently operated by the Free Venture Program. As the table shows, there are six projects at various CYA institutions. Employed wards earn an average hourly wage of \$4.66, which is slightly above minimum wage.

Administrative costs in the current year are about \$260,000, which is primarily composed of salaries and benefits for four staff members. According to program staff, an unspecified increase in the budgeted allocations will be sought from the department for 1991-92.

## DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Table 4  
Department of the Youth Authority  
Free Venture Program  
Current Work Projects

<i>Project (start date)</i>	<i>Institution</i>	<i>Description</i>	<i>Number of Wards Employed</i>	<i>Hourly Wage</i>
Trans World Airlines, Inc. (1/86) .....	Ventura School	Assistance with airline reservations	69	\$5.67
Pine Grove Enterprises, Inc. (7/88) .....	DeWitt Nelson Training Center	Circuit board assembly	3	4.25
Strang Mechanical, Inc. (11/88) .....	Stark Youth Training School	Sheet metal fabrication	14	4.25 to 4.90
Gasline Company (2/90) .....	Stark Youth Training School	Casting permanent fire-logs	6	4.25
Podesta Publications (10/90) .....	Stark Youth Training School	Artwork for educational curricula	2	piece- work
Department of Consumer Affairs (10/90) .....	Preston School of Industry	Consumer hot line for locating smog emission auto parts	7	4.25

***Program Staff Cite Obstacles to Successful Free Venture Projects.***

During budget hearings last year, the Legislature raised several concerns surrounding the seeming lack of success in obtaining and securing contracts with private industry clients for Free Venture projects. The Legislature also adopted language in the *Supplemental Report of the 1990 Budget Act*, which required the department to report by April 1, 1991, on the program's strategies for expansion. The program has experienced numerous cancellations of agreements by private business. These cancellations often involved (1) a change in product, (2) insufficient product demand, and/or (3) insufficient profits. Free Venture staff indicated that there are various obstacles to securing contracts for the program, including:

- Lack of institutional space and funds for modular buildings to house new projects.
- Lack of funding for worksite modifications.
- Lack of funding for project-related technical assistance.
- Low funding for program promotion and advertising (\$100 is allocated in the program's budget for these purposes).
- No budgeted amounts for Free Venture Advisory Board meetings.
- No budgeted amounts for staff training and conference attendance to increase knowledge and networking in order to expand the program.

***Analyst's Concerns.*** We are concerned that while the Free Venture Program staff is seeking to expand the number of projects undertaken, several key issues have not been addressed in terms of program costs and the feasibility of pursuing certain types of projects. First, the staff have

not indicated, in citing the obstacles to project success, what types of projects the program is targeting. For example, the "lack of institutional space and funding for building modifications" implies that the program is seeking to secure projects which are larger in scope, which may actually result in higher costs to the state to the extent that the department must request funding for such building modifications through the budget process. Therefore, greater guarantees should be sought from private contractors to avoid the sudden cancellation of the contracts.

In addition, given that the CYA has established a mechanism for withholding portions of the wards' earnings for various purposes, the department should consider reconstructing its withholding percentages, particularly the savings and trust portions, to provide funds for the support of the program. This is because the amount of wards' wages that will be returned to the department in the current year is *less than half* of the program's annual administrative costs. At the same time, however, the amount that will be withheld for wards' personal use is about *one-third greater* than the administrative costs of the program.

While we acknowledge that the wards are earning the wages by performing various duties and are entitled to receive pay, we are concerned that the state may be incurring excessive costs to provide this experience for a very limited number of wards. Also, given that the department has indicated that the lack of funds for specific program functions (such as advertising, staff training, networking) presents an obstacle to securing contracts and expanding participation in the Free Venture Program, the restructuring of the withholding percentages could potentially provide more funds for these purposes.

**Department of Corrections to Implement Similar Program.** The Prison Inmate Labor Initiative of 1990, which was enacted by the voters in November 1990 (Proposition 139), requires the Department of Corrections (CDC) to implement a program similar to the Free Venture Program. The Governor's Budget includes \$530,000 to fund four positions and other associated costs for the CDC program (we discuss the proposal in Item 5240). We anticipate that the CDC program will face the same challenge in promoting the program to potential clients and securing contracts for inmate labor that the CYA has experienced with the Free Venture Program. Therefore, we believe it would be advantageous to the Legislature and the CDC to gain as much insight as possible into the functionings of the Free Venture Program and the problems faced by the CYA in expanding the employment of ward labor.

**Recommendation.** Given our concerns regarding (1) the difficulty in obtaining and securing contracts for Free Venture, (2) the apparent imbalance between program costs versus benefits, and (3) the need for more information regarding ward and/or inmate labor programs, we recommend that the department include in its April 1991 report to the Legislature on the Free Venture Program: (1) a discussion of the types of projects being pursued, (2) specific information on the department's ability (or inability) to secure certain guarantees to avoid sudden

**DEPARTMENT OF THE YOUTH AUTHORITY—Continued**

contract cancellations, and (3) the options available for restructuring the withholding mechanism to allow for increased resources for the state.

**LOCAL ASSISTANCE**

The budget proposes a total of \$55.8 million from the General Fund and bond funds for the Youth Authority's local assistance programs in 1991-92. This is a decrease of \$3.3 million, or 5.5 percent, below estimated current-year expenditures. Table 5 provides a summary of local assistance funding, by program, for the past, current, and budget years.

**Table 5**  
**Department of the Youth Authority**  
**Local Assistance Programs**  
**1989-90 through 1991-92**  
**(dollars in thousands)**

<i>Program</i>	<i>Actual 1989-90</i>	<i>Est. 1990-91</i>	<i>Prop. 1991-92</i>	<i>Percent Change From 1990-91</i>
<b>General Fund</b>				
County Justice System Subvention .....	\$67,298	\$34,298	\$34,298	—
Delinquency prevention .....	2,307	2,307	2,307	—
Transportation of wards .....	41	95	95	—
Detention of parolees .....	3,705	3,705	3,705	—
Regional Youth Education Centers .....	500	500	500	—
Unallocated reduction .....	—	—	-264	— <sup>a</sup>
Subtotal, General Fund .....	(\$73,851)	(\$40,905)	(\$40,641)	-0.6%
County Correctional Facility Capital Expendi- ture Fund, Bond Act of 1986 Construc- tion/ reconstruction of local juvenile faci- ties .....	\$8,594	\$6,036	\$3,028	-49.8%
County Correctional Facility Capital Expendi- ture and Youth Facility Fund, Bond Act of 1988 Construction/reconstruction of local juvenile facilities .....	\$56	\$12,128	\$12,128	—
<b>Totals .....</b>	<b>\$82,501</b>	<b>\$59,069</b>	<b>\$55,797</b>	<b>-5.5%</b>

<sup>a</sup>Not a meaningful figure.

**Current-Year Reduction in Local Assistance May Increase Costs for Certain State Programs in the Future**

The Legislature approved \$67.3 million local assistance funding for the CJSSP in the 1990 Budget Bill. The Governor, however, vetoed \$33 million of the amount, reducing the program to \$34 million. This is the same level proposed for 1991-92. The CJSSP was established as a block grant program in 1983-84. The program provides funds to the counties for support of local alternatives to commitments to the Youth Authority and state prisons.

In general, counties have four major choices for the treatment of those youthful offenders whom the juvenile court declares as wards. These choices are: (1) placement at home on probation, (2) commitment to a county juvenile hall, ranch, or camp, (3) placement in Aid to Families

with Dependent Children-Foster Care (AFDC-FC), and (4) commitment to the Youth Authority. The cost of placements in county facilities primarily is provided by the counties, along with some funding from the CJSSP. However, AFDC-FC placements and Youth Authority commitments are supported almost entirely by the state.

A survey that has been conducted by the Chief Probation Officers of California revealed some preliminary findings that indicate that increases to the state-supported programs may result from the reductions in funding for local programs through CJSSP. Thirty-four of the state's 58 counties have responded to the survey thus far. The information indicates that (1) most of the cuts have been to local programs for youthful offenders, with relatively minor cuts to adult intensive supervision programs; (2) most of the respondents have replaced the loss in funding with county general funds; and (3) thirteen counties have sustained "real" losses of services (for example, closure of facility beds). Such losses may result in increased foster care placements or commitments to the Youth Authority, potentially resulting in significant increases in costs to the state. We would emphasize that although this is preliminary information, the respondents thus far include a mixture of counties. Los Angeles County, however, has not yet responded to the survey.

As discussed earlier, more information regarding the impact of the CJSSP reduction on the CYA's ward population should be available at the time of the May Revision.

#### **Increased Federal Funds May Be Available for Wards Placed in Foster Care**

The Governor's Budget includes a proposal from the Department of Social Services (DSS) for increased federal funds to cover increased federal foster care eligibility of wards and the associated case management and administrative activities performed by county probation departments. To the extent that (1) a greater number of wards can be claimed as federally eligible for foster care and (2) funds for case management services for these wards become available to local probation departments, the costs for foster care placements would likely be significantly reduced. Currently, the majority of probation placements in foster care are nonfederally eligible and are placed in state-only foster care, for which the state pays 95 percent of the costs. We discuss some of our concerns with this DSS proposal in Item 5180-001.

#### **Capital Outlay**

The Governor's Budget proposes an appropriation of \$10.4 million in Item 5460-301-751 for capital outlay expenditures in the Youth Authority. Please see our analysis of that item in the capital outlay section of this *Analysis* which is in the back portion of this document.

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**ROBERT PRESLEY INSTITUTE OF CORRECTIONS RESEARCH  
AND TRAINING**

Item 5770 from the General  
Fund

Budget p. YAC 68

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Requested 1991-92.....	\$431,000
Estimated 1990-91 .....	427,000
Actual 1989-90 .....	480,000
Requested increase \$4,000 (+0.9 percent)	
Total recommended reduction.....	None

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**GENERAL PROGRAM STATEMENT**

The Presley Institute, established by Ch 1288/86 (AB 277, Stirling), pursues the research and development of correctional issues, including training and education for corrections personnel, violence in prisons and jails, recidivism of inmates, prison construction and design, and rehabilitation of inmates and wards following release.

The research activities of the institute are formally approved by a 17-member board of trustees which is appointed by the Governor (six members), the Speaker of the Assembly (two members), the Senate Rules Committee (two members), the President of the University of California (one member), and the Chancellor of the California State University (one member), and the California Community Colleges (one member). Four of the members — the Directors of Corrections and the Youth Authority, the Chairperson of the Board of the National Institute of Corrections, and the Chancellor of the University of California, Riverside, where the institute is located — serve as ex-officio members.

The institute has 1.9 personnel-years in the current year.

**ANALYSIS AND RECOMMENDATIONS**

*We recommend approval.*

The Governor's Budget requests \$431,000 from the General Fund to support the activities of the Presley Institute in 1991-92. This is an increase of \$4,000, or less than 1 percent, above estimated current-year expenditures. The requested increase is due to an increase in staff compensation in the budget year.

The institute reports that it is proceeding with development of a career path for security personnel and plans to present its recommendations to the Legislature in 1991-92. In addition, the institute will be conducting a survey of substance abuse treatment programs in the Departments of Corrections and the Youth Authority.

This is the fifth year of operation for the research institute. The institute's proposed expenditure plan reflects the type of research activities which the Legislature directed it to undertake in Chapter 1288. The amount requested appears reasonable.

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