

FEBRUARY 2, 2021

The 2021-22 Budget: Prison Maintenance and Repair Proposals



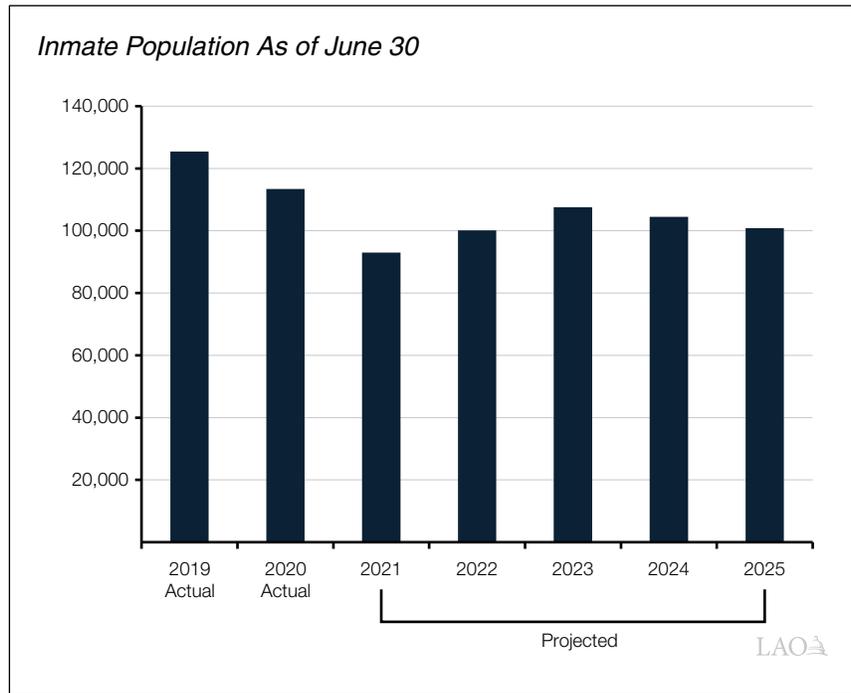
LEGISLATIVE ANALYST'S OFFICE

Overview

- The Governor's budget for 2021-22 includes General Fund support for various proposals related to the maintenance and repair of state prison facilities that could be impacted by future prison closures.
- In this analysis, we provide background on the decline in the inmate population and the resulting planned and future potential prison closures.
- We then describe and assess the Governor's specific proposals and offer associated recommendations for legislative consideration.



Inmate Population Decline Expected to Reduce Number of Prisons Needed



Inmate Population Declining

- **Population Currently Low Due to Coronavirus Disease 2019 (COVID-19).** Since the beginning of the COVID-19 pandemic, the state inmate population has declined by about 28,500 (23 percent)—from about 123,100 inmates on February 29, 2020 to 94,600 on January, 20 2021. This decline is largely due to specific actions taken by the California Department of Corrections and Rehabilitation (CDCR) in response to COVID-19—such as the suspension of intake from county jails—which are temporarily reducing the inmate population.
- **Recent Policy Changes Expected to Keep Population Down After Pandemic.** CDCR projects the inmate population to remain relatively low in the longer term—at about 100,800 inmates by June 30, 2025—even after the effects of the pandemic are gone. This is because several recent policy changes are expected to reduce the amount of time inmates spend in prison and, thus, create downward pressure on the inmate population on an ongoing basis. For example, CDCR



Inmate Population Decline Expected to Reduce Number of Prisons Needed

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announced plans in May 2020 to reduce certain inmates' prison terms through credits inmates earn for good behavior.

Resulting in Fewer Prisons Needed in Future Years

- ***Administration Plans to Close Two Prisons.*** To accommodate the decline in the inmate population, the administration plans to close the Deuel Vocational Institution (DVI) in Tracy by September 30, 2021, which we discuss in more detail below, and a second, unnamed, prison in 2022-23. State law requires CDCR to notify the Legislature by January 10, 2022 of the specific prison it intends to close in 2022-23.
- ***Three Additional Prisons Could Be Closed by 2024-25.*** Based on CDCR's projections of the inmate population, we find the state would likely be able to close three additional prisons by 2024-25.



Governor's Proposals Related to DVI Closure

Proposals

- **Savings From Planned Closure.** The Governor's budget assumes a reduction of \$97.4 million (mostly from the General Fund) and 674.8 positions in 2021-22 and \$129.1 million and 889.6 positions in 2022-23 and ongoing as a result of the planned closure of DVI.
- **Funding to Place Facility in "Warm Shutdown."** The Governor's budget includes \$1.6 million (General Fund) and 9.3 positions in 2021-22 and \$2.2 million and 12 positions in 2022-23 and ongoing to provide for the warm shutdown of the facility. These positions—11 maintenance positions and 1 Associate Governmental Program Analyst—would ensure that the facility's basic infrastructure is maintained and does not deteriorate while the facility is unused.

Assessment

- **Warm Shutdown Positions Not Fully Justified.** While some maintenance staff would be necessary to carry out minimal facility maintenance, at the time of this analysis, the department has not been able to explain why the requested 12 positions are needed to support the warm shutdown of the facility. We note that the number of positions requested is far more than the two maintenance positions CDCR currently uses to keep the Northern California Women's Facility on warm shutdown.
- **State Needs Long-Term Plans for Closed Prisons.** At this time, the disposition of DVI and the second prison that the administration intends to close in 2022-23 is unclear. For example, it is unclear whether the administration plans to sell the properties—after which it would no longer need to pay for their warm shutdown—or if there will continue to be a state need for them. Given the need to provide resources indefinitely while these facilities are in warm shutdown, it is important for the state to have a long-term plan for each closed prison.



Recommendations

- ***Withhold Action on Savings Associated With DVI Closure.*** At the May Revision, the administration plans to revise its estimate of the savings associated with the closure of DVI based on more updated information it will have at the time. Accordingly, we recommend that the Legislature withhold action on the associated budget adjustment.
- ***Reject Unnecessary Portion of Positions for Warm Shutdown.*** We recommend that the Legislature not approve all of the resources proposed by the Governor for the warm shutdown of DVI. Specifically, given that CDCR dedicates only two positions to another facility that is currently in warm shutdown, we find that providing 5 positions— instead of the requested 12 positions— would be reasonable to support the warm shutdown of DVI. Accordingly, we recommend rejecting seven of the requested positions. This would reduce the requested resources by \$640,000 and 5.4 positions in 2021-22 and \$830,000 and 7 positions in 2022-23 and ongoing.
- ***Require Report on Options for Closed Prison Properties.*** We recommend that the Legislature adopt budget trailer legislation requiring CDCR to report by January 10, 2022 on what options it is considering for the ultimate disposition of DVI as well as the second prison that will have been announced for closure by that time. This would help avoid unnecessary spending on warm shutdown for these facilities.



Governor's Prison Maintenance and Repair Proposals

Proposals

- **One-Time Increase for Special Repairs and Deferred Maintenance.** The Governor's budget for 2021-22 proposes a \$50 million one-time General Fund increase to CDCR's \$26 million base budget for special repairs and deferred maintenance. According to CDCR, the additional funds would support 20 projects at various prisons. For example, \$3.7 million would be used to upgrade fire suppression exhaust hood systems at California Men's Colony (CMC) in San Luis Obispo. (For more on the state's prison infrastructure needs, please see our report *The 2020-21 Budget: Effectively Managing State Prison Infrastructure*.)
- **One-Time Increase to Repair Health Care Facilities at California Rehabilitation Center (CRC).** The Governor's budget also proposes \$6.8 million from the General Fund on a one-time basis in 2021-22 to repair health care facilities at CRC in Norco.

Assessment

- **Additional Funding for Special Repair and Deferred Maintenance Needed.** Given the state's significant prison infrastructure needs—many of which are urgent and relate to health, safety, or habitability concerns—additional funding for special repair and deferred maintenance of state prisons appears reasonable. Moreover, the costs for addressing these needs are largely unavoidable and will grow if not addressed.
- **Not Cost-Effective to Start Projects at Prisons That Could Be Closed.** Special repair and deferred maintenance projects can take a couple years to complete. If CDCR starts such a project at a prison that is later closed, it's possible that the project would not be completed until around the time that the prison is being closed, which would not be cost-effective. For example, the administration expects that the proposed health care facility repairs at CRC and fire suppression upgrades at CMC would not be completed until around the fall of 2023. However, given the inmate population projections, CDCR may be able to close both prisons by around this time or shortly thereafter.



Recommendations

- **Approve Proposed \$50 Million Augmentation for Special Repair and Deferred Maintenance.** Given the significant statewide prison infrastructure needs, we recommend that the Legislature approve the requested \$50 million one-time augmentation for special repair and deferred maintenance projects.
- **Prohibit Funding From Being Spent on Prisons Likely to Be Closed.** In order to ensure that funding is not spent unnecessarily on prisons that are closed shortly thereafter, we recommend that the Legislature approve budget bill language restricting use of CDCR's total budget for special repair and deferred maintenance, including the proposed \$50 million one-time augmentation. Specifically, we recommend prohibiting CDCR from spending these funds on prisons that are strong candidates for closure. As such, the administration should provide a list of prisons that are strong candidates for potential closure. Based on our initial review, we find that CRC, CMC, San Quentin State Prison, and the Correctional Training Facility appear to be strong candidates for closure, primarily because they all have high estimated repair and/or operational costs relative to their inmate capacity.
- **Reject Proposed \$6.8 Million for Health Care Facility Repairs at CRC.** We recommend that the Legislature reject the proposed health care facility repairs at CRC, unless the administration provides a long-term plan for the facility demonstrating that the repairs will be completed sufficiently in advance of any potential future closure date. This action would free up \$6.8 million that the Legislature could redirect to high-priority prison repair needs at prisons not planned for closure.

