

STUDENT AID COMMISSION—Continued

7. Student Financial Aid Policy Study Group

The Legislature adopted language in the Supplemental Report of the 1979 Budget Act, which directed the California Student Aid Commission and California Postsecondary Education Commission to appoint a student financial aid policy study group to review all aspects of student aid.

The 13 member study group concluded its review in January, 1980. Significant recommendations contained in the group's report include:

- The Legislature should consolidate the Cal Grant A and B programs and establish one major financial aid program.
- State eligibility for undergraduate aid should be extended from four to five years in a manner consistent with federal regulations.
- State eligibility should remain limited to students who enroll at least one-half time.
- The state should provide assistance to needy students who attend independent colleges, while understanding that self help expectations shall be greater than that for students in public institutions with comparable financial needs.
- The Student Aid Commission should expand its role to (a) include broad policy research to facilitate legislative decision making, (b) increase oversight and evaluation of student budgets, self help policies, and need methodology and (c) assess federal financial aid policies and recommend changes in state policy as needed.

These matters will be contained in legislation to be considered during the 1981 session.

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

Items 393, 394, 397-400 from the General Fund, and Items 395, 396 and 401 from various funds

Budget p. YAC 1

Requested 1980-81	\$338,300,646
Estimated 1979-80.....	308,602,386
Actual 1978-79	269,310,336
Requested increase (excluding amount for salary increases) \$29,698,260 (+9.6 percent)	
Total recommended reduction	\$520,830

1980-81 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
393	Departmental Operations	General	\$323,228,848
—	Departmental Operations	Reimbursements	7,017,176
394	Workers' Compensation-Inmates	General	2,018,300
395	Inmate Welfare Fund	Trust	(7,137,052)
396	Correctional Industries	Revolving	(26,244,008)

397	Transportation of Prisoners	General	249,500
398	Returning Fugitives from Justice	General	873,334
399	Court Costs and County Charges	General	891,437
400	Local Detention of Parolees	General	1,022,051
401	Local Corrections Training	Corrections Training	3,000,000
	Total		\$338,300,646

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Funding for Population Growth. Withhold recommendation pending May revision of population estimate. 1274
2. *Reimbursements. Reduce Item 393 by \$478,391.* Recommend increase in reimbursements from Correctional Industries. 1275
3. Administrative Cost for Local Corrections Training Program. Recommend department report during budget hearings on specific amount to be transferred from Item 401 to Item 393 for administration of local corrections training program. 1276
4. *Medical Benefit Program for Inmate-Veterans. Reduce Item 393 by \$98,080.* Recommend staff be provided to continue veterans medical program at the California Rehabilitation Center and to insure savings from its operation. Recommend department examine possibility of extending program to other departmental institutions. 1276
5. *Building Security. Augment Item 393 by \$55,641.* Recommend State Police provide building security. 1277
6. Workers' Compensation Cost Control. Recommend department develop data and plans to control claims costs, and report to the Joint Legislative Budget Committee by November 1, 1980. 1278

GENERAL PROGRAM STATEMENT

The Department of Corrections 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, and advises and assists other government agencies and citizens' groups in programs of crime prevention, criminal justice, and rehabilitation. These responsibilities are administered under a five-program organizational structure described below.

1. Reception and Diagnosis Program

Through five reception centers, the department processes four classes of persons: (a) those committed to the department for diagnostic study prior to sentencing by the superior courts, (b) those sentenced to a term of years, (c) those returned because of parole violation, and (d) nonfelon addicts.

The department provides to the courts, on request, a comprehensive diagnostic evaluation and recommended sentence for convicted felon

DEPARTMENT OF CORRECTIONS—Continued

offenders awaiting sentencing. For individuals committed to prison, an extensive personal history is compiled for determining suitable custody and program needs. The new felon commitments are received at reception centers located adjacent to and operated as part of regular penal institutions for males at Vacaville, Chino, and Susanville, for females at Frontera, and for felons and nonfelon addicts at Corona.

2. Institutions Program

The department operates 12 institutions, which range from minimum to maximum security, including two medical-psychiatric facilities and a treatment center for narcotic addicts under civil commitment.

Major programs include 25 correctional industry operations and seven agricultural enterprises which seek to reduce idleness and teach good work habits and job skills, vocational training in various occupations, academic instruction ranging from literacy classes to college correspondence courses, and group and individual counseling.

The department also operates 19 camps, utilizing camp inmates to perform various forest conservation and fire prevention and suppression functions, in cooperation with the Department of Forestry.

The institutions and camps are located throughout the state as follows:

<i>Facility</i>	<i>Location</i>
Institutions:	
California Correctional Center	Susanville
California Correctional Institution	Tehachapi
California Institution for Men	Chino
California Institution for Women	Frontera
California Medical Facility	Vacaville
California Men's Colony	San Luis Obispo
California Rehabilitation Center	Norco
Correctional Training Facility	Soledad
Deuel Vocational Institution	Tracy
Folsom State Prison	Represa
San Quentin State Prison	San Quentin
Sierra Conservation Center	Jamestown
State Forestry Camps:	
Antelope	Susanville
Baseline	Jamestown
Black Mountain	Cazadero
Chamberlain Creek	Happy Camp
Cuesta	San Luis Obispo
Cummings Valley	Tehachapi
Deadwood	Fort Jones
Eel River	Redway
Growlersburg	Georgetown
Intermountain	Bieber
Konocti	Lower Lake
Miramonte	Miramonte
Mountain Home	Springville

Norco
 Parlin Fork
 Pilot Rock
 Prado
 Puerto La Cruz
 Rainbow

Norco
 Fort Bragg
 Crestline
 Chino
 Aguanga
 Temecula

According to the Governor's Budget, the department will house in institutions and camps a projected average daily population of 25,040 inmates in the budget year (Table 1), which is 1,280 above the current-year estimate. Population projections are discussed later in this analysis.

Table 1
Average Daily Population of
Department of Corrections Facilities

	<i>Actual 1978-79</i>	<i>Estimated 1979-80</i>	<i>Estimated 1980-81</i>
Male felons	18,737	21,110	22,410
Female felons	845	1,105	1,305
Male civil narcotic addicts	1,070	760	550
Female civil narcotic addicts	270	220	195
Other, including Youth Authority wards	490	565	580
Totals	21,412	23,760	25,040
Change from prior year	—	+2,348	+1,280

3. Community Correctional Program

The community correctional program includes conventional and specialized parole supervision, operation of community correctional centers, outpatient psychiatric services, anti-narcotic testing and community resource development. The program goal is to provide public protection as well as support and services to parolees to assist them in achieving successful parole adjustment.

4. Administration

The administration program, which includes centralized administration at the departmental level headed by the director, provides program coordination and support services to the institutional and parole operations. Each institution is headed by a warden or superintendent and has its own administrative staff. Institutional operations are divided into custody and treatment functions, each headed by a deputy warden or deputy superintendent. The parole operation is headed by a chief parole agent, assisted by centralized headquarters staff. Each of the 4 parole regions is directed by a parole administrator, and the parole function is subdivided into districts and parole units.

5. Special Items of Expense

Items 397 to 400 of the Budget Bill provide reimbursements to the counties for their expenses in transporting prisoners and parole violators to state prisons, returning fugitives from justice to the state, court costs and all other charges relating to trials of inmates for crimes committed in prison and local detention costs of state parolees held on state orders. These reimbursements are made by the State Controller on the basis of claims filed by the counties.

DEPARTMENT OF CORRECTIONS—Continued

ANALYSIS AND RECOMMENDATIONS

The budget proposes expenditures of \$338,300,646 from various state funding sources for support of the Department of Corrections in 1980-81. This is an increase of \$29,698,260, or 9.6 percent over estimated current year expenditures. This amount will increase by the amount of any salary or staff benefit increase approved for the budget year.

Included in the current-year expenditures total is a deficiency request of \$2,105,805 to accommodate unbudgeted institutional population growth.

The department's budget includes reimbursements totaling \$7,017,176, an increase of \$915,605, or 15.0 percent, over the amount estimated to be received by the department in 1979-80. The budget also includes \$3,000,000 from the Corrections Training Fund to provide assistance for the training of local corrections and probations officers. This program was created by Chapter 1148, Statutes of 1979 (SB 924). In addition, the department anticipates federal funds in the amount of \$69,979, which is \$114,873, or 62.1 percent, below estimated federal support in the current year. The decline results from the termination of several grant projects in the current and budget years.

As summarized in Table 2, expenditures of \$7,137,052 from the Inmate Welfare Fund and \$26,244,008 from the Correctional Industries Revolving Fund bring the department's expenditure program to a total of \$371,751,685, an increase of \$32,167,788, or 9.5 percent, over the \$339,583,897 estimated to be spent in the current year.

Table 2
Department of Corrections
Expenditure Summary

Funding	Estimated 1979-80	Proposed 1980-81	Change	
			Amount	Percent
General Fund.....	\$302,500,815	\$328,283,470	\$25,782,655	8.5%
Correctional Industries Revolving Fund	23,845,120	26,244,008	2,398,888	10.1
Inmate Welfare Fund	6,951,539	7,137,052	185,513	2.7
Corrections Training Fund.....	—	3,000,000	3,000,000	—
Federal funds.....	184,852	69,979	-114,873	-62.1
Reimbursements	6,101,571	7,017,176	915,605	15.0
Totals	\$339,583,897	\$371,751,685	\$32,167,788	9.5%
<i>Program</i>				
1. Reception and diagnosis.....	\$3,533,455	\$3,908,450	\$374,995	10.6%
Personnel-years	128.9	144.6	15.7	12.2
2. Institution.....	286,655,334	313,107,690	26,452,356	9.2
Personnel-years	7,212.5	7,417.1	204.6	2.8
3. Community corrections	29,347,189	30,771,768	1,424,579	4.9
Personnel-years	736.8	775.7	38.9	5.3
4. Administration (undistributed)	17,553,827	17,927,455	373,628	2.1
Personnel-years	339.9	324.4	-15.5	-4.6
5. Special items of expense	2,494,092	6,036,322	3,542,230	142.0
Totals.....	\$339,583,897	\$371,751,685	\$32,167,788	9.5%
Personnel-years	8,418.1	8,661.8	243.7	2.9

Table 3 identifies budget changes proposed by the department for 1980-81, by funding source. Significant changes within each category are described below.

Table 3
Department of Corrections
Proposed 1980-81 Budget Changes
(in millions)

	<i>General Fund</i>	<i>Special Funds</i>	<i>Federal Funds</i>	<i>Reim- bursements</i>	<i>Total</i>
1979-80 Current-Year Revised	\$302.5	\$30.8	\$0.2	\$6.1	\$339.6
<i>Proposed Changes</i>					
1. Workload Adjustments					
A. Institution population	11.9				11.9
B. Parole population	0.3				0.3
C. Miscellaneous	0.9	0.9			1.8
2. Cost Adjustments					
A. Price changes	7.0	1.6			8.6
B. Merit salary adjustments	0.7				0.7
C. Workers' compensation ^a	2.9				2.9
D. Restoration of Section 27.2 positions	1.4				1.4
3. Program Adjustments					
A. Chapter 1148, Statutes of 1979, (local corrections training)		3.0			3.0
B. Institutional security and miscellaneous	0.7				0.7
C. Grants			-0.1	0.9	0.8
Total, Proposed Changes	<u>\$25.8</u>	<u>\$5.5</u>	<u>\$-0.1</u>	<u>\$0.9</u>	<u>\$32.1</u>
1980-81 Proposed Expenditures	<u>\$328.3</u>	<u>\$36.3</u>	<u>\$0.1</u>	<u>\$7.0</u>	<u>\$371.7</u>

^a Includes increased costs for industrial disability leave, non-industrial disability insurance and unemployment insurance.

Workload Adjustments

Institution and parole population. Under California's former indeterminate sentencing structure, paroling authorities could alter the length of time a sentenced person would remain under the jurisdiction of the Department of Corrections. The Determinate Sentencing Law, which became operative July 1, 1977, reduced the discretion of the Adult Authority and the Women's Board of Terms and Paroles (now the Board of Prison Terms) over the length of incarceration and parole terms. Based on sentencing trends under the new law and various demographic and economic data, the department projects that both its institutional and parole populations will continue to increase.

For the budget year, the department is requesting \$14.4 million in new funding to accommodate the projected increase of 1,280 in its population. Of that sum, \$7.3 million is requested to contract for (1) the opening of two camps in Los Angeles County and (2) the use of space in local and federal correctional facilities throughout California. These arrangements will accommodate 720 inmates. The remaining 560 inmates will be placed in existing departmental facilities. Table 4 provides details on the additional contract bed capacity, including location, cost, and when the beds will be available.

DEPARTMENT OF CORRECTIONS—Continued

Table 4
Department of Corrections
Proposed Contractual Expense for Population Increase

<i>Opening Date</i>	<i>Location</i>	<i>Number of Beds/Sex</i>	<i>Budgeted 1980-81</i>
1/1/80	Fresno County	100(m)	\$493,115
	Fresno County	20(f)	98,623
7/1/80	Community beds	200(m)	2,828,750
	Los Angeles County Camp #3	80(m)	400,000
	San Francisco County	100(m)	1,462,920
	Orange County	40(m)	369,748
	Federal Correctional Institution, Pleasanton	55(f)	943,525
10/1/80	Federal Correctional Institution, Pleasanton	25(f)	320,775
1/1/81	Los Angeles County Camp #4	80(m)	200,000
	Federal Correctional Institution, Pleasanton	20(f)	170,140
	Totals.....	720	\$7,287,596

In addition to these beds, the budget includes funds for:

- 175.6 new positions (\$6.3 million) to provide additional security and program services (academic and vocational education, medical and psychiatric care and inmate pay) for the additional population in departmental institutions, and
- 48 new positions (\$0.8 million) to provide parole supervision and services for the projected increase in parole caseload (from 15,333 in 1979-80 to 16,152 in 1980-81).

Other workload adjustments. The budget also contains four other proposals related to the projected increase in institutional population. The department is requesting: (1) 5.2 positions (\$117,707) to provide diagnostic evaluation and special custodial supervision for an increasing number of new prison commitments at the reception centers. (2) 14 positions (\$236,195) to handle the increase in recordkeeping workload resulting from the growth in inmate and parolee populations. (3) expenditures of \$76,248 from the Inmate Welfare Fund for four canteen manager positions to handle the expansion of canteen services based on institutional population growth, and (4) \$337,244 from the Correctional Industries Revolving Fund to train and supervise additional inmates who are expected to be employed by Correctional Industries Enterprises.

The issue of institutional population increases and related costs is discussed later in this analysis.

Cost Adjustments

Employee claims costs. The department is requesting \$13,934,979 in 1980-81 to meet its projected obligations to employees for workers' compensation, industrial disability leave, nonindustrial disability insurance, and unemployment insurance benefits. This is an increase of \$2,945,460 over estimated expenditures for these purposes in the current year. Costs in each of these areas have risen 28 percent or more each year for the past two years. The magnitude of these increases raises a question of cost control strategies which is discussed later in this analysis.

Program Adjustments

Local Corrections Training Program. The department proposes an expenditure of \$3,000,000 from the Corrections Training Fund to assist local governments which adhere to minimum standards (to be established by the Board of Corrections) for the recruitment and training of local corrections and probation personnel. Pursuant to Chapter 1148, Statutes of 1979 (SB 924), the program will become operative July 1, 1980, with funding available from the Corrections Training Fund until July 1, 1982. The administrative costs of this program are discussed later in this analysis.

Additional Institutional Security. The budget includes \$1,518,759 for 63 new security positions at departmental institutions as follows: (1) 1.6 positions in the protective custody unit and 12.8 positions in the regular housing units at the Correctional Training Facility; (2) 1.6 positions in the psychiatric treatment unit at the California Institution for Women; (3) 8.5 positions in the minimum work crew quarters and 9.6 positions in the management control unit at San Quentin; (4) 14 positions, one for each of the camps under the jurisdiction of the Sierra Conservation Center; and (5) 14.9 positions in the new security dormitories at the California Correctional Center.

Our analysis indicates that security conditions in each of these institutions warrant the requested staffing.

Other Program Adjustments

Full-time Identification Unit. The department proposes an expenditure of \$23,632 for 1.6 positions to provide 24-hour staffing for its identification and information function which provides inmate, parolee, escape, and discharge data to law enforcement agencies.

Health Care Planning Unit. At a cost of \$71,206, the department is requesting permanent status for three limited-term positions to improve the ability of its existing medical program (equipment and personnel) to serve the health care needs of inmates.

Wastewater Treatment Operation. The budget includes \$48,178 for 2.2 positions at the California Correctional Center to upgrade the institution's wastewater treatment plant in order to comply with the wastewater discharge requirements of the Regional Water Quality Control Board.

Headquarters Building Security. The department is requesting \$19,507 for 1.5 guard positions at its new building to provide security services. This proposal is discussed later in this analysis.

Redirection for Parolee Drug Testing. The department proposes to redirect 3.2 positions from work furlough supervision to special narcotic services for the purpose of implementing on-site examinations of parolees to detect use of illegal drugs.

Department Placed in Youth and Adult Correctional Agency

Under the Governor's Reorganization Plan No. 3 (December 20, 1979), which authorizes establishment of the Youth and Adult Correctional Agency, the Department of Corrections is to be removed from the Health and Welfare Agency and placed under the jurisdiction of the new agency. The department will transfer three positions to the new agency to provide one-half of the staffing for the Secretary's Office. If the Legislature does

DEPARTMENT OF CORRECTIONS—Continued

not disapprove the reorganization plan, the new agency could become operational on March 26, 1980.

Correctional Training Academy Relocated

In July 1979, the department discontinued its basic training program for correctional officers at the Modesto Training Academy, which was operated by the department in conjunction with the Department of the Youth Authority. While the Department of the Youth Authority continued to provide basic training at Modesto, the Department of Corrections transferred its portion of the training program to its own Southern Training Center located at the California Rehabilitation Center (Norco).

The administration separated the two departments' training programs at Modesto and merged the Department of Corrections training program at Norco without notifying the Legislature, as it was required to do by Section 28, Budget Act of 1979. The fiscal effect of this action has been two-fold:

1. The loss of shared training resources increased costs for the Department of the Youth Authority by \$79,300 in 1979-80 and by an estimated \$125,600 in 1980-81.

2. The merger of Department of Corrections training programs at the Southern Training Center resulted in a cost reduction of approximately \$230,000 for that agency. The savings generated by the merger will be used for mandated training programs provided to the department's staff in the areas of medical education, management, human relations, affirmative action, counseling, and conflict resolution.

Institutional Population Overstated

Pending the May revision of the population estimate, we withhold recommendation on that portion of the Department of Corrections' support budget relating to increased costs for growth in inmate population.

The budget proposes an expenditure of \$14,409,423 for staffing and contractual expense to accommodate the projected increase in inmate population during the budget year. The actual institutional population at the beginning of fiscal year 1979-80 (census date: June 30, 1979) was 22,534. At midyear (January 2, 1980), the institutional population was 22,489, or slightly below the June 30, 1979 level. However, the department is projecting a June 30, 1980, population of 24,790, or an increase of 2,258 inmates over the June 30, 1979 population. Unless inmate population increases considerably between now and June 30, 1980, the department's population will fall short of this estimate. If the population increase does not occur, the need for \$14.4 million budget-year expenditure to accommodate increased population would not be warranted.

Traditionally, the department revises its population projections as part of the May revision to the Governor's Budget. Pending the May revision of the population estimate, we withhold recommendation on this portion of the department's budget.

Reimbursement Unscheduled

We recommend a reduction of \$478,391 in Item 393 (General Fund) to reflect the following offsetting reimbursements from Correctional Industries to the department: (1) \$226,493 for rent and (2) \$251,898 for utilities, communications and administrative services.

Correctional Industries reimburses the department for the use of building space at departmental institutions and for the utilities and communications used by industries for which the department is billed directly by the service provider. In addition, industries reimburses the department for civil service positions and other services which the department provides to support industries operations.

Rent. Correctional Industries reimburses the department for building space at 10 correctional institutions; however, these payments are not reflected as offsetting reimbursements to the department's 1980-81 budget request. The department indicates that Correctional Industries rent payments will total \$226,493 in 1980-81. Therefore, we recommend that Item 393 be reduced by this amount.

Other Reimbursements. The department's budget-year schedule of reimbursements identifies payments from Correctional Industries totaling \$285,737. This amount constitutes reimbursement to the department for utilities, communications, civil service salaries, and other items. Table 5 shows that based on actual industries payments made in 1978-79, and application of the price increases allowed by the Department of Finance in its budget preparation instructions, the department should have budgeted \$537,635 for these reimbursements in 1980-81.

**Table 5
Correctional Industries Payments
to the Department of Corrections**

	<i>Actual Payments 1978-79</i>	<i>Budget Based on Finance Instructions 1980-81</i>
Utilities	\$277,851	\$375,099
Communications	31,938	35,132
Civil Service salaries/wages.....	48,368	55,381
Other	65,327	72,023
Totals	<u>\$423,484</u>	<u>\$537,635</u>
Less amount budgeted		-285,737
Amount of understatement		\$251,898

As indicated in Table 5, the \$285,737 budgeted for reimbursements of utilities and related charges in 1980-81 is \$251,898 less than the amount that should be budgeted according to Department of Finance instructions. This reimbursement category has been budgeted at \$285,737 in the Governor's Budget for both the 1979-80 and 1980-81 fiscal years, despite the fact that actual payments (on which the budgeted reimbursements should be based) were \$456,893 in 1977-78 and \$423,484 in 1978-79. Therefore, we recommend that Item 393 be reduced to reflect industries payments to the department, for a General Fund savings of \$251,898 (Item 393).

DEPARTMENT OF CORRECTIONS—Continued**Administrative Costs for Local Corrections Training Program Unspecified**

We recommend that the department report during budget hearings on the specific costs required to administer the local corrections training program mandated by Chapter 1148, Statutes of 1979 (SB 924).

Chapter 1148, Statutes of 1979 (SB 924), requires the Board of Corrections to establish statewide screening and selection standards and training requirements for local corrections and probation officers. The bill also establishes a Corrections Training Fund to enable the board to reimburse local governments for the costs associated with providing the required training. Item 401 of the Budget Bill proposes an expenditure of \$3,000,000 in local assistance for this purpose. However, a provision in Item 401 allows the department to transfer funds from local assistance to support for administration of the program. The amount to be transferred is not specified in the budget.

To facilitate legislative fiscal oversight, the Legislature should separately appropriate the amount of money to be used for departmental administration. Therefore, we recommend that the department report during budget hearings on the amount of funds proposed to be transferred from Item 401 to Item 393 (departmental support) for administering the local corrections training program.

Department drops Federal Medical Benefit Program for Inmates

We recommend: (1) an augmentation of \$26,920 (Item 393) for one Correctional Counselor I position at the California Rehabilitation Center to permit continuation of the U.S. Veterans Administration medical benefit program for incarcerated veterans; and (2) a reduction of \$125,000 (Item 393) in contract medical expenses to reflect savings from continuation of the program, for a net General Fund savings of \$98,080.

We further recommend that the department report to the Joint Legislative Budget Committee by November 1, 1980, on the feasibility of extending this program to other departmental facilities.

In August 1978, the California Rehabilitation Center (CRC) began a pilot program to identify inmates who, by virtue of former U.S. military service, could take advantage of free medical services available to them through the U.S. Veterans Administration (VA). During 1978-79, 74 appointments were arranged for CRC inmates at VA hospitals and clinics. Seven of the appointments resulted in surgery referrals for such medical needs as hernia repair, shrapnel removal, knee surgery, treatment of an ulcerated gall bladder, replacement of skull metal plate, and foot surgery. In addition to these surgical procedures, 67 appointments for inmate-veterans resulted in VA medical care ranging from treatment for glaucoma and bleeding ulcers to neuromuscular therapy and diabetes.

During the first half of fiscal year 1979-80, CRC has scheduled 67 appointments with the VA, resulting in 13 surgical procedures including open-heart surgery and tumor excision, and 54 nonsurgical procedures for a wide variety of conditions.

The department proposes to discontinue these referrals in the budget year because of staffing problems. When the program began, it was admin-

istered as a secondary assignment by a correctional counselor. Since then, growth in workload relating to the primary counseling assignment has considerably reduced the time available for the benefit program. Therefore, we recommend that one Correctional Counselor I be provided at the California Rehabilitation Center at a cost of \$26,920 to permit continuation of the VA benefit program.

VA Hospital Utilization is Cost-Beneficial. Most of the medical procedures performed on California inmates by the VA hospital are costly and exceed the treatment capability of the department's in-house medical facilities. Consequently, prior to initiation of the VA hospital referral program, the department met the major medical needs of all inmates through contractual arrangements with outside medical facilities. According to CRC, the VA hospital referral program in 1978-79 reduced its contract medical costs by \$148,000. Savings during 1979-80, are estimated at \$100,000 and, should the program continue into the budget year, estimated savings of \$125,000 would be realized. Therefore, we recommend a \$26,920 augmentation to provide staff for this purpose and a reduction of \$125,000 in contract medical expenses (Item 393) to reflect the savings from continuing the benefit program, for a net General Fund savings of \$98,080.

In addition to the medical benefits received by inmates through this program, many inmate-veterans have also been the beneficiaries of other VA services. As a direct result of the VA medical examinations arranged by CRC, some inmate-veterans have had their disability ratings increased and are thus receiving either new or additional benefits (higher disability payments) through the U.S. Veterans Administration.

CRC also reports that, to date, 108 civil narcotic addicts (nonfelons) and 19 felons have received treatment in VA hospitals and clinics without an escape or serious incident. Because of this incident-free record and the potential benefits accruing to both the department and inmates from the VA benefit program, we recommend that the department report to the Joint Legislative Budget Committee by November 1, 1980, on the feasibility of extending this program to other departmental facilities.

Headquarters Security Needs Improvement

We recommend a reduction of \$19,132 for 1.5 new positions, and an augmentation of \$74,773 to contract services (Item 393) to allow the department to contract for security services with the State Police, for a net General Fund increase of \$55,641.

For the period January 7, 1980 (when the department moved into its new headquarters) to June 30, 1980, the department has contracted with the State Police Division of the Department of General Services for building security. Beginning in fiscal year 1980-81, the department proposes an expenditure of \$19,507 (\$19,132 in personal services and \$375 in operating expenses and equipment) for 1.5 security guard positions to control the entrance to the department's new building.

DEPARTMENT OF CORRECTIONS—Continued

Establishment of such positions is contrary to state policy as expressed in Government Code Section 14613 and Section 1403.9 of the State Administrative Manual which charges the California State Police Division with the responsibility to protect and provide police services for state-owned and state-leased facilities.

In a security survey which was conducted for the department, the State Police concluded that 1.8 state police officers would be sufficient to provide security at the new building. The department's security proposal differs from the security recommendations of the State Police on two points: level of service and personnel-years needed. Because the State Police have experience in similar security operations, we believe that the State Police recommendation to provide police officers (who have peace officer powers) is more appropriate to building security needs than the security guards (with no peace officer power) proposed by the department. Moreover, the department's proposal for 1.5 personnel-years would not provide the necessary personnel for backup when a department security guard is sick or on vacation. Furthermore, because the State Police Division is a pooled resource, it can provide adequate backup for normal staffing situations (sick leave, vacation) as well as for emergencies.

Therefore, we recommend deletion of 1.5 new positions, transfer of \$19,132 from personal services to operating expense and equipment, and an augmentation of \$55,641 to reimburse the Department of General Services for providing police service.

Workers' Compensation Cost Control Alternatives

We recommend that the department (1) collect and analyze data on claims for workers' compensation, industrial disability and nonindustrial disability benefits for the purpose of assessing alternative strategies for controlling claims costs; and (2) report to the Joint Legislative Budget Committee by November 1, 1980, on plans to control such costs.

As shown in Table 6, the department's costs for workers' compensation, industrial disability and nonindustrial disability claims have increased markedly in the past few years.

Table 6
Department of Corrections Expenditures for Workers' Compensation
Industrial and Non-Industrial Disability, and Unemployment Insurance

	<i>Workers'</i> <i>Compensation</i>	<i>Industrial</i> <i>Disability</i> <i>Leave</i>	<i>Non-Industrial</i> <i>Disability</i> <i>Insurance</i>	<i>Unemploy-</i> <i>ment</i> <i>Insurance</i>	<i>Total</i>
1970-71	\$980,466	—	—	—	\$980,466
1971-72	1,208,544	—	—	—	1,208,544
1972-73	1,801,743	—	—	—	1,801,743
1973-74	2,295,249	—	—	—	2,295,249
1974-75	2,397,650	\$78,034	—	—	2,475,684
1975-76	3,517,376	521,363	—	\$18,986	4,057,725
1976-77	4,155,905	718,440	\$14,984	19,563	4,908,892
1977-78	5,098,807	883,981	76,057	25,333	6,084,178
1978-79	6,550,756	1,236,756	159,998	76,710	8,024,220
1979-80 (Estimated)	8,774,177	1,780,277	320,000	15,065	10,989,519
1980-81 (Estimated)	10,968,021	2,314,360	480,000	172,598	13,934,979

The department attributes increases in workers' compensation and related claims costs to three factors: (1) awareness among employees of the benefits available from filing claims; (2) the legal presumption of work-related injury in heart and stress claims for over 50 percent of the department's employees; and (3) increased salaries on which the claims awards are based. Consequently, the department views these costs as essentially uncontrollable.

However, one public agency, in circumstances similar to those of the Department of Corrections—the Department of the Youth Authority—has begun to make efforts to control these expenditures. Based on an analysis of the causes of employee injuries, the Department of the Youth Authority has planned a safety education program for staff and an active return-to-work program for injured employees. Our discussions with the Department of the Youth Authority revealed that adequate information plays a key role in understanding and planning for control of claims costs.

Timely and detailed information on injury and lost work time trends and conditions under which they occur is essential to any cost control program. For example, it is important to know not only which organizational units experience the highest injury and lost work time rates, but which specific work activities contribute to those rates. Safety and return-to-work efforts cannot be efficiently focused on the areas requiring the most attention unless the problem is well defined. Information can also serve an accountability function. If top management lacks awareness of the trends in this area and the causes of worker injuries, it will not be able to develop and implement policies and procedures to improve the safety of the work environment and thereby reduce claims costs.

In its administrative manual, the department outlines procedures for employee safety and return-to-work programs, and assigns oversight responsibility to individuals and committees at the institutional level. However, it does not compile, on an ongoing basis, any detailed information on the specific causes of injury or lost work time trends. Without this information, the department has no basis for determining whether these programs are appropriately targeted to reduce costs.

Our analysis indicates that the department should make claims cost control a higher priority activity in order to reduce future program costs. The ongoing collection and analysis of claims information is essential to achieving this objective. Therefore, we recommend that the department: (1) collect and analyze data on claims for workers' compensation, industrial disability, and nonindustrial disability benefits for the purpose of assessing alternative strategies for controlling claims costs and (2) report to the Joint Legislative Budget Committee by November 1, 1980, on plans to control such costs.

**Youth and Adult Correctional Agency
BOARD OF PRISON TERMS**

Item 402 from the General
Fund

Budget p. YAC 27

Requested 1980-81	\$5,440,156
Estimated 1979-80.....	5,042,447
Actual 1978-79	4,411,301
Requested increase (excluding amount for salary increases) \$397,709 (+7.9 percent)	
Total recommended reduction	\$76,569

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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- | | |
|--|------|
| 1. <i>Unjustified Equipment Request. Reduce \$22,319.</i> Recom- | 1281 |
| mend deletion of unsupported portion of equipment re- | |
| quest to eliminate overbudgeting. | |
| 2. <i>General Expense Overbudgeted. Reduce \$54,250.</i> Recom- | 1281 |
| mend reduction in general expense to correct overbudget- | |
| ing. | |

GENERAL PROGRAM STATEMENT

The Determinate Sentencing Law (Chapter 1139, Statutes of 1976) created the Community Release Board. Effective January 1, 1980, Chapter 255, Statutes of 1979 (SB 281), changed its name to the Board of Prison Terms. The board has nine members appointed by the Governor with approval by the Senate.

The Board of Prison Terms:

- sets a determinate sentence and establishes the length and conditions of parole for felons originally sentenced under the Indeterminate Sentence Law;
- considers parole release for persons sentenced to life imprisonment with the possibility of parole;
- reviews, on appeal from an inmate, Department of Corrections decisions to deny the inmate a reduction in time served for good behavior or program participation;
- decides whether and for how long a parolee should be returned to prison for violations of parole;
- reviews sentences of all felons committed to the Department of Corrections to ascertain whether specific sentences conform to those received by other inmates convicted for similar offenses; and
- advises the Governor on applications for clemency.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$5,440,156 from the General Fund for support of the Board of Prison Terms in 1980-81, which is an increase of \$397,709, or 7.9 percent, over estimated current year expenditures. This amount will increase by the amount of any salary or staff

benefit increase approved for the budget year. The budgeted increase consists of \$172,581 in personal services and \$225,128 in operating expenses and equipment.

The \$172,581 increase in personal services results from merit salary adjustments, the restoration of positions and related staff benefits deleted in the current year under Section 27.2 of the Budget Act of 1979, and funds for temporary help when hearing representatives are injured or disabled. The \$225,128 increase in operating expenses and equipment consists of price increases and the transfer of funds (\$57,187) to the board from the Department of Corrections to pay for accounting services. Such services will continue to be provided by the department, but will be reimbursed by the board.

Equipment Request Unjustified

We recommend a reduction of \$22,319 to eliminate overbudgeting of equipment.

Although the board is requesting \$57,624 for equipment, the budget schedule (Schedule 9) supporting the request lists equipment needs of \$35,305, or \$22,319 less than proposed. Therefore, we recommend a reduction of \$22,319 in the board's equipment request for which no supporting detail is available.

General Expense Overbudgeted

We recommend that funding for general expenses be reduced by \$54,250 to eliminate overbudgeting.

The budget proposes a total expenditure of \$618,120 for general expenses in 1980-81. Analysis of supporting data supplied by the board indicates that the general expense request is higher than needed to compensate for inflation and other adjustments. Table 1 illustrates this difference by line item for general expense.

Table 1
Board of Prison Terms
General Expenses

	<i>Governor's Budget 1980-81</i>	<i>Board Projections</i>	<i>Difference</i>
Employee moving.....	\$11,000	\$20,000	\$9,000
Photocopy expense.....	5,500	22,000	16,500
Purchase order charges.....	4,500	5,500	1,000
Duplicating—General Services.....	12,500	21,500	9,000
Office machine repair.....	3,750	2,500	-1,250
Freight/Cartage.....	750	4,500	3,750
Training.....	3,250	12,500	9,250
Work Study Program.....	3,500	7,500	4,000
Motor vehicle operations.....	9,500	22,500	13,000
Other general expense.....	563,870	445,370	-118,500
Totals.....	\$618,120	\$563,870	\$-54,250

Based on this review of anticipated expenditures, we recommend a reduction of \$54,250.

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

Item 403 from the General
Fund

Budget p. YAC 29

Requested 1980-81	\$2,069,140
Estimated 1979-80.....	1,884,398 ^a
Actual 1978-79	(1,667,830) ^b
Requested increase (excluding amount for salary increases) \$184,742 (+9.8 percent)	
Total recommended reduction	None

^a One-half of these expenditures are shown in the Department of the Youth Authority budget.

^b This expenditure is included in the Department of the Youth Authority total.

GENERAL PROGRAM STATEMENT

Effective January 1, 1980, Chapter 860, Statutes of 1979 (AB 1421), separated the Youth Authority Board from the Department of the Youth Authority. The measure also changed the board's name to the Youthful Offender Parole Board.

The board has seven members appointed by the Governor, and confirmed by the Senate.

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

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

In past years, program and budget data for this board have been shown in the Department of the Youth Authority budget. Beginning with the 1980-81 Governor's Budget the board's cost are shown separately, reflecting its independent status.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget proposes an appropriation of \$2,069,140 from the General Fund for support of the Youthful Offender Parole Board in 1980-81, which is an increase of \$184,742, or 9.8 percent, over estimated current year expenditures. This amount will increase by the amount of any salary or staff benefit increase approved for the budget year.

In addition to the board's seven members, the budget proposes a staff of 34.4 positions. Personnel service costs are budgeted at \$1,518,910, an increase of \$39,142 (2.6 percent). Operating expenses and equipment costs are projected at \$550,230, an increase of \$144,600 (35.6 percent). The latter increase includes \$107,000 to reimburse the Department of the Youth Authority for administrative support (budgeting, personnel, and

business services). During the current year, the department is providing these services to the board without reimbursement.

**Health and Welfare Agency
DEPARTMENT OF THE YOUTH AUTHORITY**

Items 404-409 from the General
Fund

Budget p. YAC 30

Requested 1980-81	\$214,262,529
Estimated 1979-80.....	234,368,335 ^a
Actual 1978-79	184,553,628
Requested decrease (excluding amount for salary increases) \$20,105,806 (-8.6 percent)	
Total recommended reduction	\$190,600

^a Includes \$942,699 for support of the Youthful Offender Parole Board.

1980-81 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
404	Department Support	General	\$140,473,972
	Department Support	Reimbursements	9,405,758
	Department Support	Federal	536,313
405	Transportation of Persons Committed	General	43,540
406	County Delinquency Prevention Com- missions	General	33,300
407	Contracts for Delinquency Prevention	General	200,000
408	Detention Costs for Parolees	General	200,000
409	County Justice System Subvention Pro- gram	General	63,369,646
	Total		<u>\$214,262,529</u>

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Unnecessary Equipment. Reduce Item 404 by \$21,000.* 1290
Recommend deletion of funds for additional paper shredders.
2. *Facilities Implementation Task Force. Reduce Item 404 by \$169,600.* 1291
Recommend termination of the Facilities Implementation Task Force because no new facilities are budgeted.
3. Conversion of reception center/clinic to program unit. 1292
Withhold recommendation pending May revision of population estimates.
4. County Subvention Program Staff. Reduce reimbursements by \$242,000 (Item 404). Delete control language in Item 409. Recommend deletion of propose staff increase to oversee subvention program. 1293

DEPARTMENT OF THE YOUTH AUTHORITY—Continued**GENERAL PROGRAM STATEMENT**

The responsibility of the Department of the Youth Authority, as stated in the Welfare and Institutions Code, is “. . . to protect society more effectively by substituting for retributive punishment, methods of training, and treatment directed toward the correction and rehabilitation of young persons found guilty of public offenses.” The department has attempted to carry out this mandate through the five program areas discussed below:

Administration

The administration program consists of (1) the department director and immediate staff, who provide overall leadership, policy determination and program management; and (2) a support services element, which provides staff services for fiscal management, data processing, management analysis, personnel, training, and facility construction, maintenance and safety.

Prevention and Community Corrections

The prevention and community corrections program provides services to local public and private agencies and administers the County Justice System Subvention Program (Chapter 461, Statutes of 1978) and other local programs relating to delinquency prevention. The program consists of three elements: Financial aid, information, and juvenile detention facilities regulation.

Institutions and Camps

The institutions and camps branch is organized on a north-south regional basis. It operates four reception centers, eight institutions and six forestry camps, as follows:

<i>Facility</i>	<i>Location</i>
Reception Centers:	
Northern Reception Center/Clinic.....	Sacramento
Southern Reception Center/Clinic.....	Norwalk
Youth Training School Clinic ^a	Chino
Ventura Reception Center/Clinic ^a	Camarillo
Institutions:	
Northern California Youth Center	Stockton
O. H. Close School	
Karl Holton School	
DeWitt Nelson Youth Training Center	
Preston School of Industry	Ione
Fred C. Nelles School.....	Whittier
El Paso de Robles School.....	Paso Robles
Southern California Youth Center	Chino
Youth Training School	
Ventura School.....	Camarillo
Camps:	
Ben Lomond Youth Conservation Camp	Santa Cruz
Fenner Canyon Youth Conservation Camp ^b	Valyermo
Pine Grove Youth Conservation Camp	Pine Grove
Mt. Bullion Youth Conservation Camp	Mariposa
Washington Ridge Youth Conservation Camp	Nevada City
Oak Glen Youth Conservation Camp.....	Yucaipa

^a Co-located with institution.

^b Scheduled to open in April 1980.

According to the Governor's Budget, the department will house a projected average daily population of 5,176 wards in the budget year (Table 1), which is 70 above the current-year estimate. Population projections are discussed later in this analysis.

Table 1
Average Daily Population of Youth
Authority Institutions

	<i>Actual</i> 1978-79	<i>Estimated</i> 1979-80	<i>Projected</i> 1980-81
Reception centers (male and female wards).....	725	714	655
Facilities for male wards.....	3,839	4,225	4,319
Facilities for female wards.....	140	167	202
Total.....	4,704	5,106	5,176
Change from prior year.....	—	+402	+70

Parole Services

The parole branch supervises and provides services to wards after their release on parole. For management purposes, the branch is divided into four regions which administer a total of approximately 30 parole offices and two residential programs. Average parole caseload for 1980-81 is estimated at 6,314 or one parolee less than anticipated in the current year.

The branch also operates community residential programs in Los Angeles (SPACE) and San Diego (Park Centre).

Planning, Research, Evaluation and Development

This program, through its planning and program assessment element, manages the department's planning process, reviews problem issues and conducts short-term program reviews. The program and resources development element obtains grant funding and monitors grant-funded projects. The research element provides to management the evaluation and feedback considered necessary to determine those programs that are effective and should be continued, those that show promise and should be reinforced and those that should be discontinued. It also provides estimates of future institutional and parole caseloads for budgeting and capital outlay purposes, and collects information on the principal decision points as the wards move through the department's rehabilitation program from the time of referral to final discharge.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$204,320,458 from the General Fund for support of the Department of the Youth Authority in 1980-81. This is \$18,466,663, or 8.3 percent, less than estimated General Fund expenditures for the current year. Additionally, the department anticipates budget-year reimbursements amounting to \$9,405,758, and federal funds totaling \$536,313, for a total expenditure program of \$214,262,529. This amount will increase by the amount of any salary or staff benefit increases approved for the budget year.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Table 2 summarizes the budget request, showing sources of funding by category, expenditure levels by program, and proposed dollar and position changes. Comparisons between fiscal years are misleading because the 1979-80 totals include one-time costs of \$28.1 million for local assistance programs. After adjusting for these costs, the department's General Fund request for 1980-81 is about \$9.6 million (5.0 percent) higher than current-year expenditures, rather than \$18.5 million lower, as indicated in the budget. These changes and their fiscal consequences are discussed later in this analysis.

Table 2
Budget Summary
Department of the Youth Authority

Funding	Estimated 1979-80	Proposed 1980-81	Change	
			Amount	Percent
General Fund	\$222,787,121	\$204,320,458	\$-18,466,663	-8.3%
Reimbursements	10,960,627	9,405,758	-1,554,869	-14.2
Federal funds	620,587	536,313	-84,274	-13.6
Totals.....	\$234,368,335	\$214,262,529	\$-20,105,806	-8.6%
<i>Programs</i>				
Prevention and community correc- tions.....	\$91,231,132	\$67,241,727	\$-23,989,405	-26.3%
Personnel-years	67.0	70.1	3.1	4.6
Institutions and camps	114,704,737	117,406,412	2,701,675	2.4
Personnel-years	3,568.8	3,570.2	1.4	.04
Parole services	17,798,070	18,027,850	229,780	1.3
Personnel-years	418.0	412.2	-5.8	-1.4
Planning, research, evaluation and development	2,323,521	2,436,719	113,198	4.9
Personnel-years	67.3	66.3	-1.0	-1.5
Youth Authority Board.....	942,699	—	-942,699	-100.0
Personnel-years	20.1	—	-20.1	-100.0
Administration	7,368,176	9,149,821	1,781,645	24.2
Personnel-years	191.8	205.5	13.7	7.1
Totals.....	\$234,368,335	\$214,262,529	\$-20,105,806	-8.6%
Personnel-years	4,333.0	4,324.3	-8.7	-0.2

Current-Year Local Assistance Costs Include Significant One-time Expenses

Funding for the department's local assistance program is shown in Table 3. One-time expenditures in the current year account for the apparent reduction in budget-year funding requirements. In addition, three delinquency prevention programs funded in 1979-80 are not included in the proposed budget. These changes are discussed below.

Table 3
Local Assistance Programs
Department of the Youth Authority

Program	Estimated 1979-80	Proposed 1980-81	Change
Chapter 690, Statutes of 1979 ^a	9,000,000	—	-9,000,000

Status offenders detention grants ^a	1,112,695	—	-1,112,695
Delinquency prevention grants	1,230,000	\$200,000	-1,030,000
Delinquency Prevention Commissions	33,300	33,300	—
County justice system subventions.....	58,137,290	63,369,646	5,232,356
Transportation of wards	43,540	43,540	—
Detention of parolees	120,000	200,000	80,000
Totals	\$87,676,825	\$63,846,486	\$-23,830,339

^a One-time costs in the current year.

1. *Reimbursement for mandated local costs incurred in 1977 and 1978.* Chapter 1071, Statutes of 1976 (AB 3121), made major changes in the way juveniles are processed by the criminal justice system at the local level. As originally approved, Chapter 1071 contained an "offsetting savings" local cost reimbursement disclaimer. Subsequent legislation, Chapter 1241, Statutes of 1977 (AB 84), deleted the disclaimer and appropriated \$18 million to pay county claims resulting from Chapter 1071 for the period January 1, 1977, to June 30, 1978. However, Chapter 1241 failed to specify the disbursement procedures between the Board of Control and the State Controller, so no payments could be made until Chapter 464, Statutes of 1978, resolved this technical problem.

Claims submitted by 40 counties for fiscal years 1976-77 and 1977-78 exceeded \$26 million. Consequently, the Legislature appropriated an additional \$9 million in Chapter 690, Statutes of 1979, to provide a total of \$27 million to satisfy county claims. The 1980 Governor's Budget shows that these reimbursements will be made in the current year. Costs imposed by Chapter 1071 after June 30, 1978, are reimbursed under the new County Justice System Subvention Program (discussed later in this analysis).

2. *Detention of Status Offenders.* Chapter 1061, Statutes of 1978, provided limited circumstances in which minors taken into custody solely on the basis of a "status offense" (runaways, for example) may be detained in a secure facility. Previously, such minors could be detained only in shelter care facilities, crisis resolution homes or other "nonsecure" (unlocked) facilities. Status offenders securely detained pursuant to Chapter 1061 must be kept separately from minors detained for law violations. The act provided \$1.5 million to assist counties with capital outlay costs incurred in meeting this separation requirement.

The Department of the Youth Authority allocated \$387,305 to the counties in 1978-79. The budget indicates that the remaining funds (\$1,112,695) will be spent in the current year.

3. *Reduction in Delinquency Prevention Funding.* The 1980-81 Governor's Budget proposes an expenditure of \$200,000 for delinquency prevention programs, a decrease of \$1,030,000, or 83.3 percent. The 1980-81 request represents the traditional funding level proposed for support of local delinquency prevention activities selected by the department.

In the current year, the department's budget contains \$1,230,000 for support of local delinquency prevention programs. This includes the 1979 Budget Act appropriation of \$750,000 (after a Governor's veto of \$1,250,000), and \$480,000 appropriated by Chapter 1159, Statutes of 1979, for continued support of eight Youth Service Bureaus through June 30, 1980.

Between 1976 and 1979, these bureaus were funded with grants from the

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Office of Criminal Justice Planning. Chapter 1159 specified that future-year funding for the bureaus should be considered during the normal budget process. The Governor's Budget does not contain funds for the bureaus in 1980-81.

Two other programs which were funded by the 1979 Budget Act appropriation are not continued in the 1980-81 Governor's Budget. One is the Sugar Ray Youth Foundation which works with disadvantaged youth in southern California. The Legislature has augmented the budget to provide state funds for this program in each year since 1973-74. The other program, the John Rossi Youth Foundation also serves southern California youth, and it has received legislative augmentations for the last two years. Of the \$750,000 Budget Act appropriation for delinquency prevention programs, these two foundations received a total of \$549,705, leaving approximately \$200,000 for distribution by the department to other programs.

County Subvention Program Increases by Nine Percent

Chapter 461, Statutes of 1978 (AB 90), as modified by Chapter 464, replaced the Local Probation Subsidy program and the subsidy programs authorized for the construction and operation of juvenile homes, ranches, and camps with the County Justice System Subvention Program (CJSSP). Under the new program, counties will receive either (1) a per capita grant or (2) an amount equal to the sum of the payment received in 1977-78 from the repealed subsidy programs plus any reimbursement for costs imposed by Chapter 1071, whichever is greater. For purposes of calculating the new subsidy, all counties are considered to have a population of at least 20,000.

The 1980-81 Governor's Budget proposes expenditures of \$63,369,646, for the CJSSP, an increase of \$5,232,356 (9 percent). However, the 1980 Budget Bill includes language allowing the transfer of an unspecified amount of the appropriation to the department's support budget for costs relating to state administration of the CJSSP. This provision is discussed later in the analysis.

Department Placed in Youth and Adult Correctional Agency

Under the Governor's Reorganization Plan No. 3 (December 20, 1979), which authorized the establishment of the Youth and Adult Correctional Agency, the Department of the Youth Authority would be removed from the Health and Welfare Agency and placed under the jurisdiction of the new agency. The department will transfer one position to the new agency to provide one-sixth of the staffing for the Secretary's Office. If the Legislature does not disapprove the reorganization plan, the new agency could begin operations on March 26, 1980.

Basic Training No Longer Consolidated with Department of Corrections

In July 1979, the Department of Corrections discontinued its basic training program for correctional officers at the Modesto Training Academy, which was operated by the department in conjunction with the Department of the Youth Authority. While the Department of the Youth Author-

ity continued to provide basic training at Modesto, the Department of Corrections transferred its portion of the training program to its own southern Training Center located at the California Rehabilitation Center (Norco).

The administration separated the two departments' training programs at Modesto and merged the Department of Corrections' training program at Norco without notifying the Legislature, notwithstanding the fact that such notification was required by Section 28, Budget Act of 1979. The fiscal effect of this action has been two-fold:

1. The loss of shared-training resources increased costs for the Department of the Youth Authority by \$79,300 in 1979-80 and by an estimated \$125,600 in 1980-81.

2. The merger of Department of Corrections training programs at the Southern Training Center produced savings of approximately \$230,000 for that agency. These savings will be used for mandated training programs provided to the department's staff in the areas of medical education, management, human relations, affirmative action, counseling, and conflict resolution.

Matching Funds for Parole Project

According to the department, the Gang Violence Reduction Project, which is administered by the Parole Branch, is the only program in the east Los Angeles area working directly with hard core gang members in an attempt to reduce gang-related violence. Data compiled by the Los Angeles Sheriff's office show that the east Los Angeles area has one of three highest numbers of gang-related homicides in the Los Angeles metropolitan area. The program has been in operation since November 1976 with grant funding that will terminate in June 1980. The department's 1980-81 budget includes \$203,000 to fund 50 percent of the program's cost, provided that a local entity funds the remaining 50 percent.

Other Program Changes for Which We Recommend Approval

Additional Security Staff. The budget contains \$151,500 and 6.8 positions to provide for additional security staff at the O. H. Close, Karl Holton, F. C. Nelles Schools, and the Northern Reception Center/Clinic.

Increasing Education Services. An additional 2.4 teacher positions have been added at a cost of \$62,800 to accommodate last year's population increase (32 wards) at the El Paso de Robles School. These positions, which were inadvertently omitted from the 1979-80 budget, are required to maintain the department's approved staffing ratio of one teacher to 15 wards.

Vocational Education Equipment. The department is proposing a \$100,000 expenditure to upgrade equipment used in its vocational education programs. The department is currently offering 45 vocational courses at five different institutions.

Special Repairs. A total of \$735,000 is proposed for routine maintenance projects at the Preston School of Industry (\$190,000), El Paso de Robles School (\$80,000), and the Youth Training School (\$465,000).

Maintenance Mechanic for Park Centre Program. The budget includes one maintenance mechanic position for the Park Centre Settle-

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

ment House, an old leased facility, which provides parole services and housing for 25 difficult-to-place parolees. Under the terms of the lease, the department is required to pay for each maintenance and repair item costing \$250 or less. The department spent approximately \$47,000 in fiscal years 1976-77 through 1978-79 for repairs to this facility. An additional \$20,000 for maintenance costs is projected in the current year. The cost of the position will be offset by savings in maintenance contracts, which otherwise would be \$106,785 in 1980-81.

Cost Adjustments

Industrial Disability Leave/Workers' Compensation. The budget proposes an expenditure of \$5.6 million in 1980-81 to meet the department's Industrial Disability Leave/Workers' Compensation obligations. Three years ago, the department reallocated existing resources in order to provide a safety education program for staff and an active return-to-work program for injured employees. This program has resulted in a projected cost increase of 22 percent for 1980-81. This is 8 percent less than the increase experienced in each of the previous two years.

Other Increases. The department proposes other increases of approximately \$4.7 million for cost adjustments due to inflation (\$2.2 million), merit salary adjustments (\$1.7 million) and the restoration of positions deleted on a one-time basis in the current year under Control Section 27.2, Budget Act of 1979 (\$0.8 million).

Additional Equipment Not Needed

We recommend that funding for additional paper shredders be deleted, for a savings of \$21,000 (Item 404).

The department's records management policy, which implements the Information Practices Act (Chapter 709, Statutes of 1977), requires the destruction of outdated personal or confidential material and records. To comply with this requirement, the department is requesting \$21,000 to purchase 30 paper shredders, one for each of its parole offices. At present, field parole staff accumulate, store, and periodically transport material to one of four regional offices for shredding.

Because the parole caseload is relatively stable, the request is not based on the need for additional shredding capacity. Nor does it respond to problems with the current process for disposing of outdated records, in that there have been no reported violations of confidentiality. Therefore, it appears that the present equipment is adequate to meet the legal requirements.

The department states that the present system is cumbersome and time consuming, but it has not identified any savings that could be realized through utilization of the new equipment. Essentially, the request is based on the desire for greater convenience. Because the existing equipment is adequate, we recommend that 30 paper shredders be deleted, for a savings of \$21,000 (Item 404).

Facilities Implementation Task Force Unnecessary

We recommend deletion of the proposed Facilities Implementation Task Force, for a General Fund savings of \$169,600.

The department proposes to establish a four member task force at a cost of \$169,600 to:

- Survey and assess facilities and sites that are potentially available for accommodating anticipated increases in the number of wards incarcerated by the department.
- Coordinate the construction or modification of facilities, incorporating program needs in the facilities' design.
- Develop and coordinate leases.

The department added staff to existing units for these purposes in the current year, using federal Public Works Employment Act Title II moneys, which will not be available after June 30, 1980.

Our analysis indicates that the proposal is deficient in three respects:

1. *It is based on population projections that are overstated.* The department's request for the facilities implementation task force is based on population estimates made in July 1979. At that time, the department projected a 200 bed shortage in 1980-81 and a need for additional capacity (800 to 1,500 beds) by 1983-84. To date, there has been no indication that this projected need will materialize.

In the July 1979 projections, the department estimated a need for 5,255 beds by June 30, 1980. Instead, the 1980 Governor's Budget population estimate for the same date is 5,163, or 92 beds less than the number estimated six months ago. The projections were reduced by the department to reflect the actual population levels experienced in the first six months of 1979-80. On December 31, 1979, the actual population was 199 below the June 30, 1979 level of 4,955 wards.

Table 4 shows, by month, the differences between the department's current-year budgeted level and actual population on an average daily population basis.

Table 4
Department of the Youth Authority
Average Daily Institutional Population
July 1979-December 1979

	<i>Budgeted</i>	<i>Actual</i>	<i>Difference</i>
July	4,955	4,916	-39
August	4,968	4,950	-18
September	4,994	4,917	-77
October	5,020	5,017	-3
November	5,046	4,956	-90
December	5,059	4,901	-158

2. *It is not consistent with the capital outlay position of the budget.* The 1980 Governor's Budget projects an increase of only 25 wards from the end of the current year to the end of the budget year. It does not include capital outlay funds to provide additional facilities for the department. Therefore, the task force will have no projects to implement in 1980-81.

3. *There are other options available for alleviating future bed space problems beyond those reflected in the department's plan.* For example,

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

last year the department implemented a pilot "Intensive Reentry" project in two, 50-ward living units. The goal of the project is to provide more intensive training and counseling programs which could result in a shorter average length of stay. If successful, the intensive reentry program could reduce future bed space needs significantly. The department estimates that a reduction of one month in the overall average length-of-stay affects the department's bed space requirements by 400 beds.

Beginning in May 1979, the department adopted and implemented a regulation relating to criminal court cases. The new regulation permits the department to return cases to court for "redispotion" (often, a state prison sentence) if staff conclude that the ward will not benefit from the department's program. The redispotion process applies to new commitments and wards within the institutions who are not amenable to treatment and wards recommitted to the department for new offenses. The department estimates that 100 wards may be redirected in the current year under the new criteria.

In summary, the decline in institutional population levels during the current year, the lack of any capital outlay projects in the 1980-81 Governor's Budget, and the new departmental regulations directed at reducing institutional population by eliminating wards who are not amenable to treatment, makes establishment of the task force unnecessary at this time. Therefore, we recommend its deletion, for a General Fund savings of \$169,600 (Item 404).

Population Overestimated

We withhold recommendation on \$541,875 for staff at the Ventura School to accommodate an anticipated increase in male population, pending the May revision of the population estimate.

The department proposes to convert an existing reception center/clinic at the Ventura School to a 50-bed male program unit. To accommodate this change, it requests 4.6 additional positions costing \$117,000 in the budget year.

The Ventura Reception Center/Clinic has a 100-bed capacity, consisting of two 50-bed units. The department established a special counseling program in one unit during the current year. The remaining 50 beds are used as a reception center with capacity for 25 females and 25 males. The budget proposal, consisting of two parts, involves the latter unit.

(1) *Female Population.* The department plans to transfer female wards from the reception center/clinic to an existing, underutilized female program unit at the Ventura School. This will require 2.1 positions at a cost of \$32,409 to meet the higher staffing level requirements of a regular program unit.

Our analysis indicates that reception processing for females can be integrated into the regular institutional program because the Ventura School is the department's only institution for females. Therefore, we recommend approval of this portion of the proposal.

(2) *Male Population.* Reception processing for male wards will be handled at the department's three remaining reception centers in the

budget year. This would allow the Ventura unit to be converted to a 50-bed male program unit to accommodate increased population levels. In 1980-81, the new unit will require 16.4 positions costing \$541,875. This consists of 13.9 existing reception unit positions and 2.5 new positions.

As discussed under the previous recommendation, ward populations have been below the budget level throughout the current year. As of December 1979, the department was housing 4,901 wards or 158 less than originally projected. If present trends continue, the deficit in bed capacity, which this part of the proposal is designed to address, will be nonexistent. If the recent population decline continues, the reception center/clinic unit need not be converted to a program unit, and can be closed.

The department will have more accurate population information in May when it completes its revision of the population projections. If the new estimate indicates that ward population will increase (a reversal of the present trend), we will recommend approval of the department's plan to convert the Ventura clinic unit to a male program unit.

Pending the May revision of the population estimate, we withhold recommendation on the \$541,875 requested for program staff at the Ventura School to accommodate the projected increase in the ward population.

County Subvention Program Adequately Staffed

We recommend that additional staffing for state administration of the County Justice System Subvention Program be deleted by (1) reducing reimbursements by \$242,000 and (2) deleting budget control language, allowing the transfer of local assistance funds to the department.

The department's Prevention and Community Corrections (PC&C) Branch is responsible for administering the County Justice System Subvention Program (CJSSP). The branch has had ongoing responsibility and staff (67 in the current year) to work with county probation and other governmental and private agencies and organizations concerned with juvenile corrections, law enforcement, and delinquency prevention at the local level. When the CJSSP was authorized in 1978, the branch redirected four positions from the repealed probation subsidy program, and administratively established four positions to assist existing staff with the additional start-up workload generated by the new subvention program. Last year, the four administratively established positions were not funded in the budget.

The department proposes to add 7.5 positions to (1) provide technical assistance and monitor counties receiving County Justice System Subvention Program (CJSSP) funds (6.0 positions) and (2) accommodate program-related workload in the department's Research Division (1.5 positions). In order to cover a portion of the cost, the department intends to redirect 2.5 existing personnel-years from the Youth Training School. The other 5.0 positions, costing \$242,000, would be supported by a transfer of funds appropriated to the subvention program. The proposal would provide the same level of technical staff to the PC&C Branch as was provided during the first year of the program.

Our analysis indicates that after certain legal requirements are fulfilled, the scope and depth of review given to county programs is discretionary.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

To date, the department has not documented any complaints about program violations or administrative mismanagement which would support the need for additional staff. One likely reason for this is that the enabling legislation requires each county Board of Supervisors to review and approve the county's application before it is submitted to the department. This review tends to insure that the local programs are well documented and consistent with state law.

Unless the department documents deficiencies in local program management, we believe that the funds included in the budget for local assistance should be used for that purpose rather than for additional state administration of the program. Therefore, we recommend that (1) reimbursements (Item 404) be reduced by \$242,000, and (2) budget control language, allowing the transfer of local assistance funds to the department (Item 409) for program administrative costs be deleted.

**Youth and Adult Correctional Agency
INSTITUTIONAL REVIEW BOARD**

Item 410 from the General Fund	Budget p. YAC 48
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Requested 1980-81	\$56,400
Estimated 1979-80.....	0
Actual 1978-79	0
Requested increase (excluding amount for salary increases) \$56,400	
Total recommended reduction	Pending
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SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. *Board Operations.* Withhold recommendation pending a decision by the Department of Corrections on whether to continue biomedical research involving the use of inmates as subjects. 1295

GENERAL PROGRAM STATEMENT

Chapter 1250, Statutes of 1977 (AB 1592), established the Institutional Review Board to consider, approve, and evaluate biomedical and behavioral research projects using prison inmates as subjects. The board consists of seven members, one of whom is an inmate representative.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$56,400 for support of the board in 1980-81. This amount consists of \$42,550 for personal services (two positions) and \$13,850 for operating expenses and equipment. Although the board has been in existence since January 1, 1978, no direct expenditures have been incurred to date.

Board Workload in Question

We withhold recommendation on the budget request pending a decision by the Department of Corrections on whether to continue biomedical research involving the use of inmates as subjects.

The Institutional Review Board reviews proposals for two types of research involving the use of inmates as subjects: behavioral and biomedical. The board considers research proposals on the basis of the medical, psychological, and social risks they pose to the inmate subjects. With proper informed consent and confidential information practices, the behavioral research poses little or no threat to inmate research subjects. This type of research generally gathers information by questionnaires or from personal interviews with inmates. Consequently, the review of behavioral research constitutes a relatively minor part of the board's workload. It is the biomedical research that is potentially risky to the physical or psychological health and/or social life of an inmate.

At the time this analysis was prepared, the Department of Corrections was in the process of making a policy decision concerning the continuation of biomedical research using inmates as research subjects. If the biomedical research is phased out in the current or budget year, the staffing needs of the Institutional Review Board would be less than proposed in the budget. Pending the Department of Correction's decision, we withhold recommendation on funding for the board.

POLITICAL REFORM ACT

Item 411 from the General
Fund

Budget p. GG 2

Requested 1980-81	\$2,065,921
Estimated 1979-80.....	2,014,553
Actual 1978-79	2,598,846
Requested increase (excluding amount for salary increases) \$51,368 (+2.6 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Political Reform Act of 1974, an omnibus elections measure, includes provisions relating to (1) campaign expenditure reporting and contribution limitations, (2) conflict-of-interest codes and related disclosure statements required of public officials, (3) the state ballot pamphlet, (4) regulation of lobbyist activity, and (5) establishment of the Fair Political Practices Commission (FPPC).

Funds to implement these provisions are budgeted for four state agencies. Support for one of these agencies, the Fair Political Practices Commission, is provided directly by the Political Reform Act of 1974. Funds for the other state agencies and any additional funds for the commission are provided by the Legislature through the normal budget process.