

penditures. As a result, the budget requests an appropriation that is \$28,000 greater than the amount required. We recommend deletion of the \$28,000 to correct the overbudgeting error.

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

Item 5240 from the General
Fund and various special
funds

Budget p. YAC 1

Requested 1982-83	\$526,039,000
Estimated 1981-82	471,001,000
Actual 1980-81	400,631,000
Requested increase (excluding amount for salary increases) \$55,038,000 (+ 11.7 percent)	
Total recommended reduction	\$2,406,000
Recommendation pending	\$36,896,000

1982-83 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
5240-001-001—Department Operations		General	\$475,272,000
5240-001-170—Department Operations		Corrections Training	1,600,000
5240-001-614—Correctional Industries		Revolving	32,987,000
5240-001-917—Inmate Welfare Fund		Revolving	9,292,000
5240-101-001—Local Assistance		General	6,888,000
Total			\$526,039,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Funding for Population Growth. Withhold recommendation, pending May revision of population proposal. 1185
2. Corrections Training Fund. Recommend Department of Finance report on probable fund deficiency. Withhold recommendation on projects funded from it, pending receipt of this report. 1186
3. *Personnel Misallocations. Reduce Item 5240-001-001 by \$238,000.* Recommend elimination of funding for overclassifications. Further recommend continuation of Budget Bill language reverting additional savings. 1188
4. *Computer Charges. Reduce Item 5240-001-001 by \$59,000.* Recommend deletion of overbudgeted funds. 1188
5. *Equipment. Reduce Item 5240-001-001 by \$58,000.* Recommend elimination of unjustified equipment requests. 1189
6. *Technical Support Positions. Reduce Item 5240-001-001 by \$57,000.* Recommend elimination of positions due to projected workload decline. 1189
7. *Consulting Expenses. Reduce Item 5240-001-001 by \$1,715,000.* Recommend deletion of undocumented consulting expenses. 1190
8. *First Watch Supervision. Reduce Item 5240-001-001 by* 1190

DEPARTMENT OF CORRECTIONS—Continued

- \$279,000.* Recommend standardization of institutional supervision on first watch to reduce institutional overhead.
9. Community Correctional Program. Recommend department report prior to budget hearings on progress under the program. 1191
 10. Community Correctional Program. Recommend department report prior to budget hearings on expected room and board charges. 1193
 11. Correctional Industries. Recommend department report during budget hearings on plans for expanding program into new areas. 1193

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 governmental agencies and citizens' groups in programs of crime prevention, criminal justice, and rehabilitation. These responsibilities are administered through three programs.

1. Institutions Program

The department operates 12 institutions, including a psychiatric facility and a treatment center for narcotic addicts under civil commitment. The department also operates 24 conservation camps in cooperation with the Department of Forestry (20 camps) and Los Angeles County (4 camps).

Major programs include 26 correctional industry operations and eight 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.

2. Community Correctional Program

The community correctional program includes conventional and specialized parole supervision, operation of community correctional centers, outpatient psychiatric services, 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.

3. Administration

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

Current-year staffing, including the department's deficiency request, is estimated at 9,768 personnel-years.

ANALYSIS AND RECOMMENDATIONS

The budget proposes expenditures of \$533,437,000 from various funding sources for support of the Department of Corrections in 1982-83, as shown in Table 1. This is an increase of \$53,860,000, or 11.2 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.

Table 1
Department of Corrections
Expenditure Summary
(dollars in thousands)

	Estimated 1981-82	Proposed 1982-83	Change	
			Amount	Percent
<i>Funding</i>				
General Fund.....	\$433,661	\$482,160	\$48,499	11.2%
Correctional Industries Revolving Fund.....	28,937	32,987	4,050	14.0
Inmate Welfare Fund	8,403	9,292	889	10.6
Federal funds	279	153	-126	-45.2
Corrections Training Fund.....	-	1,600	1,600	(-)
Reimbursements	8,297	7,245	-1,052	-12.7
Totals	\$479,577	\$533,437	\$53,860	11.2%
<i>Program</i>				
Institutions	\$408,463	\$468,914	\$60,451	14.8%
Personnel-years	8,618.4	9,217.6	599.2	7.0
Community corrections.....	46,180	64,523	18,343	39.7
Personnel-years	715.8	708.9	-6.9	-1.0
Administration (undistributed).....	24,934	25,855	921	3.7
Personnel-years	434.0	430.4	-3.6	-0.8
Administration (distributed)	-	-25,855	-25,855	(-)
Totals	\$479,577	\$533,437	\$53,860	11.2%
Personnel-years	9,768.2	10,356.9	588.7	6.0

Table 2
Department of Corrections
Proposed 1982-83 Budget Changes
(dollars in millions)

	General Fund	Special Funds	Federal Funds	Reim- bursements	Total
1981-82 Current-Year Revised	\$433.7	\$37.3	\$0.3	\$8.3	\$479.6
Proposed Changes:					
1. Workload Adjustments					
A. Institution population	19.2				19.2
B. Parole population	8.4				8.4
C. Administration.....	0.3				0.3
D. Industries		2.3			2.3
2. Cost Adjustments					
A. One-time costs.....	-5.1				-5.1
B. Price changes.....	8.6	2.6		0.1	11.3
C. Merit salary adjustments.....	4.0	0.1			4.1
D. Full-year cost adjustments	13.8				13.8
E. Staff benefits	1.0	- ^a			1.0
3. Program Adjustments					
A. Institutional security		0.1			0.1
B. Facilities operations		1.5			1.5
C. Restore travel reduction.....	0.3				0.3
D. Prison gang activities	0.1				0.1
E. 5 Percent Reduction	-2.2				-2.2
F. Grants			-0.1	-1.2	-1.3
1982-83 Proposed Changes	48.5	6.5	-0.1	-1.1	53.9
1982-83 Proposed Expenditures.....	\$482.2	\$43.9	\$0.2	\$7.2	\$533.4

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

^a Indicates amount less than \$50,000.

DEPARTMENT OF CORRECTIONS—Continued

The current-year expenditures shown in Table 1 include a General Fund deficiency request of \$7,422,000 to accommodate a higher-than-budgeted institutional population growth.

The department proposes expenditures of \$482,160,000 from the General Fund in 1982-83. This is an increase of \$48,499,000, or 11.2 percent, over estimated current-year expenditures (including the deficiency request). The department's budget also reflects reimbursements totaling \$7,245,000, a decrease of \$1,052,000, or 12.7 percent, below estimated reimbursements in 1981-82. In addition, the department expects to receive federal funds in the amount of \$153,000, which is \$126,000, or 45.2 percent, below the estimated level of federal support in the current year. The decline in both reimbursements and federal funds results from the termination of grant projects.

Expenditures of \$9,292,000 from the Inmate Welfare Fund, \$1,600,000 from the Corrections Training Fund, and \$32,987,000 from the Correctional Industries Revolving Fund account for the balance of the department's total expenditures of \$533,437,000.

Table 2 identifies the budget changes proposed by the department for 1981-82, by funding source. Significant changes within each category are described below.

Population Growth Drives Cost Increases

The budget includes \$35.3 million to provide additional staffing and operating expenses for projected increases in institutional and parole populations in 1982-83. This includes (a) continuation of funds needed to cover a 1981-82 deficiency of \$7.4 million for unbudgeted population growth in the current year and (b) \$27.9 million to accommodate increased population in 1982-83.

The department expects population to increase by nearly 4,100 inmates during 1982-83 (see Table 3). These projections represent a continuation of the high growth rate that has occurred in recent years. During 1981, the inmate population increased at an average rate of about 385 inmates each month, or 4,623 for the year as a whole (see Chart 1).

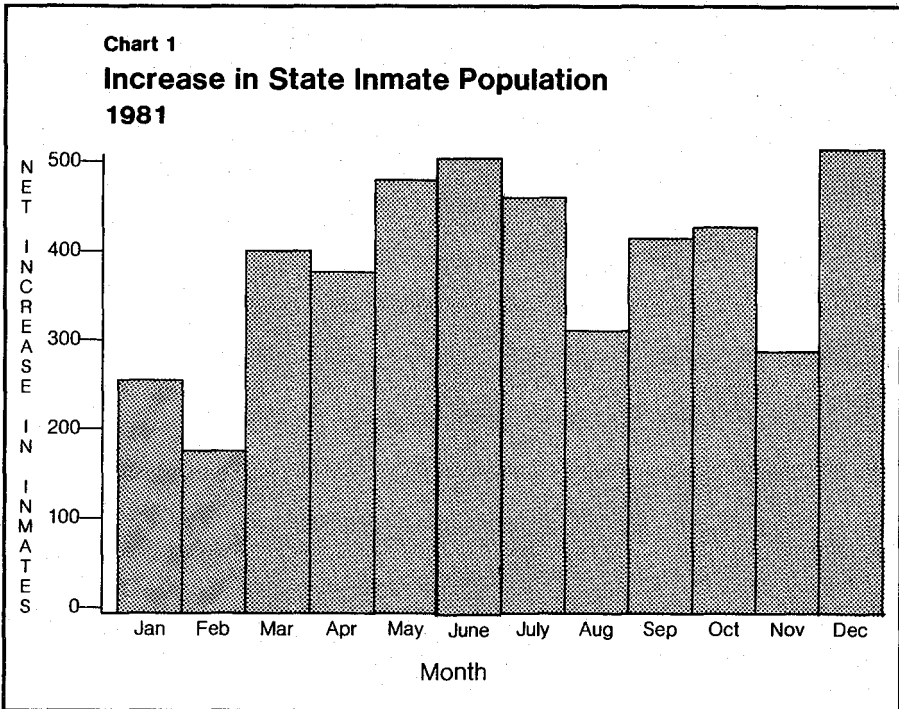
Table 3
Inmate Population
Department of Corrections

	<i>Actual</i> 6/30/81	<i>Estimated</i> 6/30/82	<i>Projected</i> 6/30/83
Male felon	24,744	28,600	32,605
Male nonfelon.....	641	600	580
Female felon	1,225	1,355	1,485
Female nonfelon	144	125	105
Totals.....	26,754	30,680	34,775
Annual increase		3,926	4,095

Population Plan Likely to Change

We withhold recommendation on that portion of the department's support budget related to increased costs for population growth, pending receipt of a revised proposal as part of the May revision.

To accommodate the expected growth in institutional population, the department plans to (1) increase crowding of existing facilities and (2) open new facilities, camps, and dormitories. It is almost certain, however,



that the department will have to revise its proposal before legislative action on this item is completed. We have identified six factors that may warrant changes to the budget request.

First, due to the tentative nature of department's plans for housing the expected growth in inmates, the budget explicitly includes funds to house only 2,800 of the expected increase of 4,100 inmates during the budget year. As a result, *the department estimates that its request is underfunded by about \$6 million.*

Second, although the department's population proposal calls for occupancy of California Men's Colony-West by 400 inmates in the fall of 1982, the department now anticipates occupancy no earlier than the spring of 1983. As a result, the department must modify its plan.

Third, in August 1982, the department expects to move 300 inmates into a yet-to-be leased facility in Baker. Our analysis of this project indicates that the department's schedule is probably optimistic. For example, it assumes that the department will house about 200 inmates in trailers which are not yet on-site. In addition, the proposal assumes that significant problems relating to sewer, water, and housing availability can be resolved expeditiously.

Fourth, the population projections upon which the department based its proposal do not take into account recently enacted legislation—Ch 928/81 (SB 278)—which abolished the Mentally Disordered Sex Offender

DEPARTMENT OF CORRECTIONS—Continued

program. The legislation will result in the department receiving persons who under prior law would have been committed to the Department of Mental Health. A task force that will make recommendations on what housing space should be transferred between the two departments is not scheduled to report to the Legislature until April 1982. Resolution of the issue will directly affect the department's population proposal.

Fifth, if the department is not able to contract for 2,000 beds in community facilities by July 1982, as scheduled, it will have to accommodate additional inmates in institutions.

Sixth, on January 14, 1981, the department provided 27 positions to Patton State Hospital and assumed responsibility for security of the Patton facilities. The Department of Finance advises that these actions will increase the Department of Corrections' current-year costs by about \$0.7 million. If the Department of Corrections continues to provide security staff to the hospital in 1982-83, it would need to increase its budget request.

In addition, as part of our analysis of the California Conservation Corps (CCC) budget request, we recommend that the department assume the operation of five conservation camps now operated by the CCC. If the Legislature approves our recommendation, the Department of Corrections would need to adjust its proposal.

For these reasons, further revisions in the department's budget request can be expected as part of the May revision. Pending receipt and analysis of the revision, we withhold recommendation on this portion of the department's budget.

Corrections Training Fund Deficiency

We recommend that prior to budget hearings, the Department of Finance report to the fiscal committees on how it expects to cover the probable deficiency in the Corrections Training Fund. Pending receipt of this report, we withhold recommendation on the \$1.6 million proposed for expenditure by the Department of Corrections.

The Department of Corrections proposes to fund three activities from the Corrections Training Fund, at a cost of \$1.6 million. These activities involve increased special repairs, one-time costs of consolidating the laundries of San Quentin State Prison and California Medical Facility, and security for Board of Prison Terms hearings. As discussed in our analysis of the Board of Corrections (Item 5430), however, the training fund probably will not have sufficient revenues to cover all the activities the budget shows being paid from it. Therefore, we recommend that the Department of Finance report to the Legislature prior to budget hearings on how it expects to cover the possible deficiency. Pending receipt of this report, we withhold recommendation on the \$1.6 million proposed for expenditure by the Department of Corrections.

Program Changes Funded by Community Bed Savings

The department proposes to establish a unit to evaluate and develop rates paid to community organizations that operate community correctional facilities. By developing more uniform rates and by developing policies to pay facilities on a per diem basis, the unit is expected to reduce the costs of the community bed program by \$1.7 million.

In addition to covering the rate unit's costs (\$128,000), the department

plans on using the savings to cover the costs of the following projects:

- 15 positions to operate the boiler rooms at three facilities which now rely on inmate workers (\$378,000).
- 9.7 positions to handle and insure the confidentiality of inmate medical records (\$190,000).
- 30 positions to continue current-year staffing for the department's data processing, legislative estimates, population projections, and information system activities (\$710,000). (This proposal is discussed later in the *Analysis*.)
- 1 position to help study the department's inmate classification system (\$19,000).
- 12 positions to provide each institution with property control clerks (\$318,000).

Training Academy Lengthened

The department proposes to lengthen its training academy program for new correctional officers from three to five weeks. The additional costs of the longer program will be financed by reducing the officers' salaries to a training status level (about two-thirds of regular pay) until they graduate from the academy.

Five Percent Reduction

The Department of Corrections' institutions and related administrative costs were exempt from the 5 percent reductions imposed by the administration on many General Fund agencies. Expenditures on other activities, however, were reduced by 5 percent, for a total reduction of \$2,190,000, as shown in Table 4. Individual reductions are discussed below.

Table 4
Department of Corrections Budget Reductions

Parole Division	\$1,270,000
Research Unit	748,000
Program Assessment System	90,000
Data Processing	56,000
Arts Program	21,000
Workers' Compensation	5,000
Total	\$2,190,000

Parole Division. The parole division experienced a reduction of \$1,270,000 (28.0 positions). If the department reduces positions proportionately across the division, as the budget indicates, the caseloads of parole agents who supervise felons would increase from 50 to 52, and those of agents supervising nonfelons would increase from 32 to 34.

Research Unit. The department proposes to substantially reduce its research unit, for a savings of \$748,000 (17.5 positions). Some of the unit's duties will be picked up by the department's existing headquarters units.

Program Assessment System. The Program Assessment System at the California Medical Facility, which encourages inmates to participate in their therapy programs and other activities through the use of a "token" economy, was reduced by the \$90,000 added by the Legislature last year. As a result, the program will return to its 1980-81 funding level of about \$2,000 a year which supplements donated staff time and equipment.

Data Processing. Data processing funds were reduced by \$56,000.

Arts Program. The department reduced funding of the arts program

DEPARTMENT OF CORRECTIONS—Continued

by \$21,000, which is approximately the amount of the increase proposed to offset price and salary increases. As a result, the program will be funded at about its 1981-82 level of \$400,000.

Workers' Compensation. Funds for workers' compensation were reduced by \$5,000, which is 0.04 percent of estimated current-year expenditures.

Our analysis indicates that these reductions should not have a significant adverse impact on the department's ability to carry out its primary responsibilities.

State Personnel Board Audit Identifies Savings

We recommend a reduction of \$238,000 in General Fund support (Item 5240-001-001) to eliminate funding for overclassifications identified by the State Personnel Board audit of June 1980. We further recommend continuation of Budget Bill language reverting any additional savings that result from the audit.

The department has reclassified or made plans to reclassify 216 positions as the result of a State Personnel Board (SPB) audit of the department's personnel policies that was completed in June 1980. The great majority of the adjustments will result in lower salaries.

Last year, as we recommended in a supplemental analysis of the department's budget, the Legislature deleted \$88,000 to reflect the savings that will result in 1981-82 due to reclassifications that had been agreed upon at that time. Since that analysis was prepared, the department has taken or promised actions that would reduce budgeted personnel expenditures by approximately \$238,000 in 1982-83. These reductions, however, are not reflected in the 1982-83 request. Therefore, we recommend a reduction of \$238,000 in General Fund support (Item 5240-001-001).

The SPB and the department have deferred action on 110 positions that the board identified as being improperly classified, pending completion of studies concerning specific employee groups, such as nurses and warehouse workers. These studies, which are scheduled for completion by October 1982, could result in additional savings. To ensure that any savings realized as a result of the future reclassifications revert to the General Fund, we further recommend the adoption of the following budget control language that was added to the 1981 Budget Act:

"Provided, that any savings from reclassification of positions pursuant to the State Personnel Board audit shall revert to the General Fund."

Overbudgeted Computer Charges

We recommend deletion of \$59,000 in General Fund support (Item 5240-001-001) to correct for overbudgeted computer expenses.

The department's budget includes \$906,000 for payments to the Stephen P. Teale Consolidated Data Center. This amount includes \$59,000 to cover rate increases in data processing charges. The Teale Data Center, however, anticipates no general rate increase for 1982-83. Therefore, the \$59,000 requested for rate increases is unneeded, and we recommend that the funds be deleted from the department's General Fund support budget (Item 5240-001-001).

Unjustified Equipment

We recommend a reduction of \$58,000 in General Fund support (Item 5240-001-001) to eliminate unjustified equipment.

Our analysis of the department's Supplementary Schedule of Equipment indicates that several items of equipment for which funds were requested have not been properly justified. The specific items of equipment are summarized in Table 5, and discussed below.

Table 5
Department of Corrections
Unjustified Equipment Items

1. Sewer cleaner	\$30,000
2. Beds and lockers	15,000
3. Bakery machines	13,000
Total	\$58,000

Sewer Cleaner. The department requests \$30,000 to purchase a sewer cleaning machine for the Correctional Training Facility (CTF) in 1982-83. The Legislature, however, approved funds for the purchase of the same machine for CTF in the current year. Because funding for the sewer cleaner has already been provided, we recommend deletion of \$30,000.

Beds and Lockers. The department's budget includes \$15,000 to purchase 82 beds and lockers for inmates who are expected to enter Folsom State Prison during the current year. Because equipment for the inmates necessarily will be purchased prior to their arrival from funds in the 1981-82 budget, such funds are unneeded in 1982-83, and we recommend that they be deleted.

Bakery Machines. The department's budget includes \$25,000 to purchase "cookie dropper" machines at the California Correctional Center (\$19,000) and the California Medical Facility (\$6,000). While prices for cookie droppers may vary, the department has not provided any justification for the wide variation in costs of the units requested. In the absence of such documentation, we recommend that the department purchase the less expensive machines for both institutions, for a savings of \$13,000.

Technical Support Positions Not Justified by Workload

We recommend elimination of 2.5 positions plus related overtime, on January 1, 1983, to reflect a projected decline in workload, for a General Fund savings of \$57,000 (Item 5240-001-001).

The department proposes to continue 17.5 limited-term positions in its technical support section, which is currently staffed by 28 positions. The section audits the department's classification system, which assigns inmates to different custody levels based on their criminal histories, sentences, and behavior while incarcerated. In addition, it is responsible for the department's two information systems. One system provides on-line, current information on and the location of each inmate and parolee under the department's jurisdiction. The other system includes more detailed information that is used primarily for statistical reports on the characteristics of the inmate and parolee population.

During the remainder of 1982, the section expects to undertake two tasks which will eventually reduce its workload: it expects to eliminate the duplication between its two information systems, and it plans to begin sampling inmate records for statistical reporting purposes (currently, it

DEPARTMENT OF CORRECTIONS—Continued

compiles information from *every* record).

Once the duplication has been eliminated and the sampling procedures are instituted, our analysis indicates that the unit's workload would no longer justify 2.5 technical positions and related overtime expenditures. The department advises that it now estimates that the two changes in workload should occur by January 1983. Based on that schedule, we recommend (1) the elimination of 2.5 positions and related expenses on January 1, 1983, and (2) deletion of \$32,500 in overtime funds (one-half of the annual overtime expenses of the unit), because these resources would not be justified by workload, for a General Fund savings of \$57,000 (Item 5240-001-001).

Undocumented Consulting Expenses

We recommend deletion of undocumented consulting expenses, for a General Fund support savings of \$1,715,000 (Item 5240-001-001).

The department's budget includes \$35,279,000 for consulting and professional services. It plans on spending \$25.7 million for community correctional facilities, \$2.9 million for contractual education and college work study services, \$2.5 million for contractual health services, \$2.2 million for the Department of Forestry's costs of operating conservation camps, \$0.3 million for reimbursements to other jurisdictions holding California inmates, and \$0.1 million for maintenance of the department's microfiche records system. The department, however, advises that justification for the remaining \$1,715,000 is not readily available.

We recognize that the department may require funds for various projects in addition to those specified above, including services from the Department of General Services and for the arts in prisons program (which the Legislature specifically provided funding for in the 1981 Budget Act). Without any documentation of the need for these funds, however, we have no basis for recommending that they be approved. Furthermore, including funds for unspecified purposes in the Budget Bill prevents legislative review of or control over fund allocations, and allows the director to allocate these funds as she sees fit. Accordingly, we recommend deletion of the \$1,715,000 in General Fund support (Item 5240-001-001). In the event justification for all or part of this request can be developed, we will reconsider our recommendation.

Standardize Level of Supervision on First Watch

We recommend standardization of nighttime institutional supervision in order to reduce institutional overhead costs, for a General Fund savings of \$279,000 (Item 5240-001-001).

Of the department's 12 institutions, 10 have one lieutenant acting as a watch commander on the first shift (for example, 10:00 p.m. to 6:00 a.m.) seven days a week. During this time, most inmates are locked in their cells and there is minimal activity and inmate movement. To ensure seven-day-a-week coverage, each lieutenant post requires 1.6 personnel-years to allow full relief for weekends, holidays, vacations, and sick leave.

Two institutions have a total of *seven* lieutenants on duty during first watch. The Correctional Training Facility (CTF) has a watch lieutenant for each of the central, north, and south facilities. The California Institution for Men (CIM), has lieutenants assigned to its main and east facilities and to the central and west reception centers. The department justifies

the additional lieutenants at these institutions on the grounds that they are acting as watch commanders of separate facilities within the institution, and that the separation of the facilities precludes coverage of the entire institution by a single lieutenant.

Other institutions, however, have similar configurations and apparently do not need more than one lieutenant on the first watch. For example, the California Medical Facility operates the state's northern reception center without an additional watch lieutenant. The California Correctional Institution consists of two facilities, one medium security and one minimum security, with only one first watch lieutenant. Similarly, the California Rehabilitation Center is split into men and women facilities and is supervised on first watch by only one lieutenant. Finally, both San Quentin and Folsom prisons, which house the state's most difficult-to-manage inmates, operate on first watch with only one lieutenant.

Our analysis indicates that the department should standardize the level of first watch supervision in its institutions. Eliminating two watch lieutenants at CTF and three watch lieutenants at CIM would allow a total reduction of eight lieutenant positions. Accordingly, we recommend this reduction in institutional overhead costs for a General Fund savings of \$279,000 (Item 5240-001-001).

Community Correctional Program

We recommend that the department report to the fiscal committees prior to budget hearings on the progress of the community correctional program.

The department plans to be using 2,000 beds in community correctional facilities by the end of 1981-82. Currently operated state facilities will account for 143 of these beds. The department plans to contract with counties and private organizations for the remaining 1,857 beds. Such facilities will include (1) work furlough programs under which inmates work in the community but spend the rest of their time at the facility, (2) re-entry programs in which inmates are taught job search skills prior to placement in work furlough programs, and (3) "return-to-custody" programs, in which parole violators are held in county jails, in lieu of being returned to prison. This discussion will focus on the first two types of programs.

The community correctional facilities have two main purposes:

1. To facilitate the transition from prison to the free society by helping inmates (a) gain employment, (b) establish community contacts, and (c) build a savings account prior to their parole dates.
2. To help alleviate the problems of overcrowding in the prison system (every person housed in a community facility frees a bed in prison).

How is the Department Meeting its Goals?

The department is falling well behind its schedule for obtaining community beds (see Table 6). Although it still plans on obtaining 2,000 beds by July 1982, as of December 31, 1981, the department was 1,015 beds behind its April 1981 schedule, and 199 beds behind its October 1981 schedule.

In addition, the program's overall occupancy rate has averaged below 80 percent during the first six months of the current fiscal year. This compounds the problems associated with the slow rate of growth in the number of community beds.

DEPARTMENT OF CORRECTIONS—Continued

Table 6

Community Beds Falling Behind Schedule

<i>Date</i>	<i>Number of Community Beds</i>		
	<i>April 1981 Schedule</i>	<i>October 1981 Schedule</i>	<i>Actual</i>
June 30, 1981	841	711	711
September 30, 1981.....	1,295	711	711
December 31, 1981.....	1,766	950	751
March 31, 1982.....	2,000	1,550	-
June 30, 1982.....	2,000	2,000	-

How is the Department Managing the Program?

In addition to delays in bringing community beds on-line, our evaluation of the program has indicated that there are several other factors that are reducing its effectiveness.

First, the department does not appear to have a clear policy on dealing with inmates assigned to community facilities who violate departmental rules. In some facilities, such persons are sent to county jail facilities pending a departmental review, during which time their bed is held open at the community facility. In other facilities, however, persons sent to jail are not allowed back into the program, and their bed is made available to those on the waiting list. The discretion given facilities reduces the ability of the department to optimally manage its community beds.

Second, release allowances given to inmates are often late in arriving. Inmates can receive up to \$125 of their \$200 release allowance when they enter a community facility. They can use the funds to purchase new clothing and for transportation while looking for a job. When the money is late in arriving, it hinders inmates' efforts at obtaining work.

Third, the work furlough facility in San Francisco County does not provide food to inmates, and the department does not make special allowances for inmates placed there. The facility, which is run by the Sheriff's department and is therefore not controlled by the Department of Corrections, is oriented towards persons first sentenced to county jail who already have jobs, not toward inmates from prison who do not have them. Therefore, until a state inmate finds a job, purchasing food can be a problem, particularly if the release money is late in arriving.

What is the Department Doing to Resolve the Problems?

The department is aware of the management difficulties identified above, and is working at solving them. New program operating procedures that place responsibility for administrative support services (e.g., release allowances and placement of inmates in community facilities) at parole regions, rather than at individual institutions, should prove to be a positive step.

With regards to the delay in contracting for beds, a major factor has been the objections of community residents to the placement of correctional centers in their neighborhoods. The department is optimistic, however, that new procedures for notifying and involving community leaders will help alleviate community objections.

Finally, some of the difficulties are related to normal problems encountered in quickly expanding a program. Others, however, are more fundamental in nature. The substantial amount of state resources committed to the program (about \$27 million) and its potential for reducing prison

overcrowding and improving the chances of success by inmates when they are released, dictates the need for close management scrutiny and evaluation. For this reason, we recommend that the department report to the fiscal committees prior to budget hearings on its plans for addressing each of the issues discussed above.

Potential Savings to the Community Correctional Program

We recommend that the department report prior to budget hearings on the amount of room and board fees it expects to collect from residents of community correctional centers during 1982-83.

Prior to the start of the 1982-83 fiscal year, the department plans to increase room and board fees it charges residents of community correctional centers by an undetermined amount. Currently, residents generally pay \$5 a day for room and board for each day they work. The department is not able to estimate the current-year or budget-year revenues from these fees. Because these fees directly offset General Funds needs, the potential impact of higher fees on the budget is significant. If, for example, the department charged residents \$8 a day for every day they worked, and if one-half of the projected average population of 1,900 persons in community beds were exempted, room and board fees would total nearly \$2.0 million. On these assumptions, revenues would be about \$800,000 more than the \$5 rate would produce. To ensure that the appropriate level of room and board fees are included in the department's budget, we recommend that the department report prior to budget hearings on the amount of fees it expects to collect under its revised fee system.

Correctional Industries

We recommend that the department report during budget hearings on the possibility of expanding the program into functions traditionally performed by state employees.

In last year's *Analysis*, we pointed out that the department's Correctional Industries program is an excellent vehicle for (1) providing inmate training and work experience and (2) reducing the costs of the corrections system. At the time, however, the program was providing poor service to its clients (primarily state agencies that are required to purchase from the department) and losing money. Since that time, the program has begun to turn a profit. Program management, however, indicates that service problems continue.

In an effort to improve and expand the program, the Legislature approves Ch 917/81 (AB 496), which increased the maximum wage that inmate workers can earn from \$.35 an hour to one-half the state minimum wage (currently \$3.35 an hour). As a result of the higher authorized pay levels, the department increased the highest wage it pays from 35 cents an hour to 80 cents an hour on January 1, 1982, and is in the process of imposing strict production standards. It expects higher inmate productivity to cover the higher costs.

The department plans to double its industries work force from 2,300 inmates to 4,600 inmates by July 1982. In conjunction with adding second shifts to existing product lines, the department is exploring other enterprises such as fiberglass products, house building for low-income families, and repairing department vehicles.

Our analysis indicates that the expansion of the program is a positive step, provided that continued attention is given to quality control and overcoming service delivery problems. Furthermore, it appears that there

DEPARTMENT OF CORRECTIONS—Continued

is good potential for the department to take over functions traditionally performed by state employees, such as key punch operations, highway maintenance, and repair of automobiles operated by the Department of General Services. Such functions would (1) provide inmates with real job skills that would help them make a successful transition to the community when they are released and (2) reduce overall state expenditures.

Accordingly, we recommend that the department report to the fiscal committees during budget hearings on the possibility of expanding its industries program into functions traditionally performed by state employees.

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY

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

Budget p. YAC 31

Requested 1982-83	\$178,991,000
Recommended approval	7,758,000
Recommended reduction	26,668,000
Recommendation pending	144,565,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

NEW PRISON CONSTRUCTION PROGRAM

1. Southern Maximum-Security Complex—Tehachapi. Withhold recommendation on construction funds of \$69,300,000, pending submission by the department of a report on cost reducing modifications. 1202
2. California State Prison—Adelanto. Withhold recommendation on \$4 million proposed for preliminary plans and working drawings for a new maximum-security facility, pending completion of land acquisition, master planning and environmental studies. 1204
3. State Prison—Folsom. Withhold recommendation on \$12,800,000 for preliminary plans and working drawings for new maximum-security complex at Folsom, pending completion of environmental studies and master planning for the proposed project. 1205
4. *State Prison—San Diego. Reduce by \$4,500,000.* Recommend funds for working drawings be deleted because the request is premature, given the current status of the project. 1205
5. *Temporary Housing. Reduce by \$2,000,000.* Recommend deletion of funds for temporary housing because the department has not provided any explanation of the basis for the requested amount. 1206

6. Men's Colony—San Luis Obispo. Withhold recommendation on \$3,000,000 proposed for construction and renovations of the California Men's Colony, West Facility, pending development of adequate cost and engineering information. 1206
7. *Correctional Facility—Baker. Reduce by \$1,500,000.* 1207
Recommend proposed funds for a 300-bed facility be deleted because the project is not viable and would be costly to operate.
8. Contract Management—Statewide. Withhold recommendation on \$1,500,000 for technical and professional services, pending submittal by the department of an organizational structure to manage the new prison construction program. 1208
9. Medium-Facility No. 1. Withhold recommendation on \$6,600,000 for land acquisition, studies, planning, master planning, and schematics, pending submission of adequate information for legislative review of this proposed facility. 1209
10. Medium-Facility No. 2. Withhold recommendation on \$6,600,000 for land acquisition, studies, planning, master planning, and schematics pending submission of adequate information for legislative review of this proposed facility. 1209
11. Relocatable Prison—Medical Facility, Vacaville. Withhold recommendation on \$10,500,000 for studies, preliminary plans, working drawings and construction of a 500-bed relocatable prison, pending receipt of project cost and program information. 1210
12. Relocatable Prison—Deuel Vocational Institution, Tracy. Withhold recommendation on \$10,500,000 for studies, preliminary plans, working drawings and construction, pending receipt of project cost and program information. 1210
13. Relocatable Prison—Southern California. Withhold recommendation on land acquisition, studies, preliminary plans, and working drawings for proposed relocatable prison, pending receipt of project cost and program information. 1210
14. *New Camps—Various Locations. Reduce by \$15,000,000.* 1210
Recommend funds for land acquisition, studies, planning, working drawings, and construction be deleted because adequate information to substantiate the request has not been provided and alternative facilities currently assigned to the California Conservation Corps are available to meet this need.
15. *California Institution for Women—Frontera. Reduce by \$2,000,000.* 1211
Recommend funds for special housing units be deleted because the needed facilities can be provided at less cost by altering existing space.

CAPITAL OUTLAY PROGRAM, EXISTING INSTITUTIONS

16. Transfer of Funds Recommended for Reduction to the General Fund. Recommend that \$1,668,000 in savings resulting from our recommendations on projects funded from tideland oil revenues be transferred to the General Fund in order to increase the Legislature's flexibility in 1213

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

- meeting high-priority needs statewide.
17. Susanville—Geothermal Project. Recommend language included in the Budget Act of 1981 requiring a cost-benefit report to the Legislature be included under Item 5240-301-189. 1215
 18. Hospital Licensing Standards—San Quentin. Withhold recommendation on \$269,000 proposed to rebudget funds approved in the 1981 Budget Act, pending receipt of additional information on the department's proposal to centralize medical services at the California Medical Facility at Vacaville. 1215
 19. Convert Warehouse to Vocational Complex—Correctional Training Facility, Soledad. Withhold recommendation on \$1,440,000 to convert an existing warehouse to vocational education facilities, pending receipt of adequate project scope and cost information. 1217
 20. Replace Food Service Building—Correctional Training Facility, Soledad. Withhold recommendation on \$150,000 for preliminary plans and working drawings to replace the food service building at the south facility, pending receipt of adequate project scope and cost information. 1217
 21. *Replace Perimeter Lighting—Correctional Training Facility, Soledad. Reduce by \$68,000.* Recommend proposed construction funds be reduced to correct overbudgeting of project funds. 1218
 22. Remodel Locking Devices—Deuel Vocational Institution, Tracy. Withhold recommendation on \$2,413,000 for construction to remodel locking devices, pending receipt of information from the Department of Finance on the cost impact of phasing the construction portion of this project. 1218
 23. Emergency Lighting System—Folsom State Prison. Withhold recommendation on \$200,000 proposed to install six generators for emergency lighting, pending receipt of adequate project scope and cost information. 1219
 24. *Relocate Control Room—California Institution for Men, Chino. Reduce by \$254,000.* Recommend preliminary plans, working drawings and construction funds for a new control room be deleted, because the department has not evaluated less expensive alternatives to construction of this new facility. 1219
 25. Hospital Licensing Modifications—California Medical Facility, Vacaville. Withhold recommendation on \$500,000 for preliminary plans, working drawings, and construction of licensing modifications to the hospital facilities, pending receipt of adequate project scope and cost information and an analysis of the impact of closing the hospital at San Quentin. 1220
 26. *Correctional Industries Warehouse—California Medical Facility, Vacaville. Reduce by \$282,000.* Recommend preliminary plans, working drawings and construction funds for a new warehouse facility be reduced by \$280,000 to eliminate landscaping and overbudgeting of project funds. Further, recommend budget language be adopted 1222

- to require these funds to be repaid from the Correctional Industries Revolving Fund.
27. **Emergency Generators—California Men's Colony, San Luis Obispo.** Withhold recommendation on \$1,258,000 for installation of emergency generators, pending an evaluation by the department of the impact of cogeneration on the need for this project. 1223
 28. **Install Dumbwaiters in Lock-up Units—San Quentin.** We withhold recommendation on \$273,000 proposed for preliminary plans, working drawings and construction to install dumbwaiters at the lock-up unit, because it does not appear that the proposed amount of funds would be sufficient to fund the needed improvements. Further, recommend that prior to budget hearings, the Department of Finance identify proposed funding source for any additional funds needed to complete the project. 1223
 29. **West Block Security Modifications—San Quentin.** *Reduce by \$300,000.* Recommend preliminary plans, working drawings and construction for security modifications to the west block be deleted, because we have not received any information as to the need for the project. 1224
 30. **Upgrade Primary Electrical System—California Institution for Women, Frontera.** *Reduce by \$75,000.* Recommend preliminary plans, working drawings and construction to improve the primary electrical system be reduced by \$75,000 to eliminate overbudgeting of project funds. Further, recommend project be limited to modifications to meet code requirements and provide a loop distribution system. 1224
 31. **Cogeneration System—California Institution for Men, Chino.** Withhold recommendation on \$3,086,000 for working drawings and construction of a cogeneration system, pending receipt of cost benefit information based on completed preliminary plans. 1226
 32. **Replace Steam and Condensate Piping—Correctional Training Facility, Soledad.** *Reduce by \$423,000.* Recommend preliminary plans, working drawings and construction funds to replace steam and condensate piping be reduced by \$423,000, because the construction request is not based on adequate engineering design. 1226
 33. **Cogeneration Plant—California Men's Colony, San Luis Obispo.** Withhold recommendation on \$88,000 proposed for preliminary plans and working drawings for a cogeneration plant, pending receipt of the feasibility study funded in the 1981 Budget Act. 1227
 34. **Cogeneration Plant—Deuel Vocational Institution, Tracy.** Withhold recommendation on \$88,000 for preliminary plans and working drawings for a cogeneration plant, pending receipt of the feasibility study funded in the 1981 Budget Act. 1227
 35. **Replace Boiler—San Quentin State Prison.** *Reduce by \$24,000.* Recommend preliminary plans and working drawing funds be deleted, because the department has not provided adequate information on the anticipated cost sav-

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

ings to be achieved by this project.

- 36. *Minor Capital Outlay—General Improvement Projects.* 1228
Reduce by \$242,000. Recommend \$108,000 for two projects be deleted, because the proposed work should be included in a major capital outlay project proposed by the department. In addition, \$134,000 for three projects is not justified.

ANALYSIS AND RECOMMENDATIONS

The budget proposes a total of \$178,991,000 to support the Department of Correction's capital outlay program in 1982-83. This represents 25 percent of the funds requested for capital outlay in the budget year.

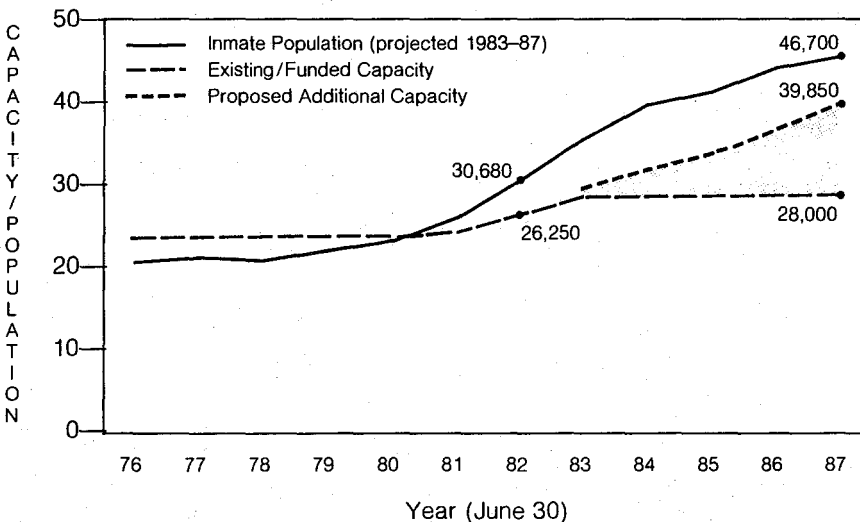
Population Increases Require New Facilities

California is currently experiencing an unprecedented growth in its prison population. As of January 1, 1982, the California Department of Corrections (CDC) institutional population was 28,526 inmates, while the design capacity of all institutions totals 24,611 inmates. Thus, on January 1, the state's correctional system population was 16 percent over existing capacity, indicating a shortfall of 3,915 spaces. The CDC is able to accommodate additional inmates beyond the design capacity of existing institutions by double-celling—assigning two inmates to cells designed for one.

The CDC also contracts with local governments and private organizations for about 750 beds in community pre-release centers to augment its institutional capacity. The CDC plans to increase this program to 2,000 beds during 1982-83.

Chart 1

**California Department of Corrections
 Comparison of Capacity and Inmate Population
 1976 through 1987 (in thousands)**



The substantial rise in prison population is, in part, a result of determinate sentencing, lengthened terms for specific crimes, and prison terms for crimes for which county jail terms have previously been imposed. Chart 1 shows (1) the actual prison population for 1976 through 1981 and the projected prison population for 1982 through 1987, (2) existing and funded capacity for the same period, and (3) the impact of the CDC's proposed new construction projects and community pre-release centers, which will bring additional capacity to the system for 1983 through 1987.

Chart 1 shows that the projected population is expected to continue rising at a rapid rate for the next five years. It also shows that despite additions to existing capacity, space in the correctional system will still fall well short of the total need. As a result, the department will have to continue double-celling, even if the projects proposed in the 1982-83 program are completed.

Status of Projects Previously Approved by the Legislature

Through special legislation and Budget Act appropriations, the Legislature has appropriated \$60 million for property acquisition, planning and partial construction of new permanent and temporary facilities to alleviate overcrowding of existing institutions. The status of the approved projects, as of January 1, 1982, is as follows:

Proposed New Permanent Facilities

- **Tehachapi Maximum-Security Complex.** Appropriations in the 1980 and 1981 Budget Acts provided planning funds and partial construction funds for two 500-bed maximum-security prisons adjacent to the California Correctional Institution—Tehachapi. Preliminary plans for the first 500-bed institution have been completed and working drawings are underway. According to the department's schedule, construction of needed site development will begin in spring 1982, and construction of the first 500-bed prison will begin in July 1982. The planned occupancy date for the first 500-bed prison is July 1984; the occupancy date for the second is October 1984.

- **Maximum-Security Facility—Adelanto.** The department has identified approximately \$1.6 million appropriated in Ch 1135/79 for planning a maximum-security prison at Adelanto. Land acquisition has not been completed, but environmental studies are underway.

- **Folsom Maximum-Security and Minimum-Security Service Unit.** The 1981 Budget Act as amended by Ch 540/81 provided \$2.5 million for planning additional facilities on the sites which the department may designate. The department is using these funds—as provided in the 1981 Budget Act, prior to Ch 540/81—to plan development of 1,700 beds at Folsom. Environmental studies are currently underway, but master planning and schematic plans have not been started.

- **San Diego Medium-Security Prison.** Funds for land acquisition, site studies, and environmental studies for the San Diego facility were appropriated in the 1981 Budget Act. The Legislature required submission of a report on alternate sites available for development in San Diego County. In September 1981, the department advised the Legislature that it intended to declare the existing state-owned San Diego site as surplus, and acquire an alternate site for development of the new prison. In reviewing the department's site selection report, the legislative policy and fiscal

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

committees did not indicate any opposition to the site preferred by the department. To date, however, the alternative site has not been acquired, and work on necessary environmental studies has not begun.

Temporary Facilities

The Legislature has provided \$11 million in the Budget Acts of 1980 and 1981 for construction of temporary facilities to alleviate overcrowding at existing institutions. At the time funds were appropriated for these facilities, the department could not identify the proposed sites and cost of these facilities. The department has developed a plan for providing approximately 1,700 beds through the use of these funds.

- **New Camp Facilities.** The department has activated new camps and expanded existing camps to provide an increase in capacity of 400 beds. An additional 260 beds are scheduled to be completed by June 1982. Several of these projects were scheduled for occupancy in the spring 1981. The department, however, has revised the anticipated occupancy date to January 1982.

- **Satellite Facilities.** The department has identified six existing institutions where modular facilities can be located outside the secure perimeter of the institution to accommodate 108 inmates. These facilities will house minimum-security inmates assigned to work crews at the existing institutions, thereby providing additional spaces within the armed perimeter for inmates with higher security classifications. The proposed facilities are currently under construction and five are scheduled for occupancy during January and February 1982, several months behind the schedule originally anticipated by the department. The sixth satellite should be completed by July 1982.

- **Reactivate CMC West Facility.** A total of 450 level I (minimum security) and level II (medium security) beds are proposed through remodeling and upgrading of facilities at the California Men's Colony, West Facility, San Luis Obispo County. This facility was deactivated in 1971 because of reduced statewide prison population. Completion of proposed renovations is now tentatively scheduled for May 1983—nearly one year behind schedule. This date is dependent on future court action because a court order has required the department to prepare a complete Environmental Impact Report on reactivating this facility.

Organization of Project Administration

During legislative hearings on the 1981 Budget Act, the Legislature expressed concerns that the responsibility for implementation of the department's facilities requirement plan should rest solely with the Director of Corrections. Because of this concern, the Legislature amended the Government Code (Ch 540/81) to allow the Department of Corrections to assume direct administration of the prison construction program. As a result, the Department of Corrections is no longer required to use the Department of General Services, Office of State Architect, as project managers for prison construction projects. The department, however, has not established adequate project resources through either the addition of sufficient professional staff and/or private consultants capable of planning, administering, coordinating, and reviewing the massive construction program anticipated by the department.

In our judgment, the department's organizational structure must be strengthened in this area to assure that projects proceed as expeditiously

as possible. The department has not given this a high priority, and consequently, the program has not been expedited in the current year. As a result, the Legislature does not have adequate program information for the 1982-83 proposals. Continuation of this situation would result in further delays in providing the needed prison facilities.

It is essential that the department provide the Legislature with an organizational plan and structure which will ensure adequate review and expeditious completion of the prison construction program. In our analysis of the department's request for \$1.5 million for contract management (Item 5240-301-723 (8)), we have recommended that the department provide specific organizational information prior to budget hearings.

Projects Proposed for Funding in 1982-83 Budget Bill

The budget proposes a total of \$161,800,000 for capital outlay to be funded from the New Prison Construction Fund (bonds). The fund would derive its revenues from the sale of general obligation bonds. The authorization for these bonds is to be voted on by the electorate in the June 1982 election.

Table 1 shows the projects proposed for funding in the 1982-83 budget and the estimated future cost, based on Department of Correction's estimates.

Table 1
Department of Corrections
New Facilities Program
Item 5240-301-723
(in thousands)

<i>Project Location</i>	<i>Capacity (Security Level)^a</i>	<i>Budget Bill Amount^b</i>	<i>Analyst's Proposal^b</i>	<i>Estimated Future Cost^c</i>
(4) Tehachapi	1,000 (IV)	\$69,300 c	pending	—
(1) Adelanto	1,000 (IV)			
	150 (I)	4,000 pw	pending	88,000
(2) Folsom	1,700 (IV)	12,800 pw	pending	145,000
(3) San Diego	1,700 (III)	6,500 pw	2,000 p	123,000
(5) Temporary	300 (I & II)	2,000 a	—	—
(6) Renovations, CMC West, San Luis Obispo	450 (I & II)	3,000 c	pending	—
(7) Baker	300 (II)	1,500 c	—	—
(8) Contract Management	—	1,500 p	pending	—
(9) Medium Facility #1	1,700 (III)	6,600 as	—	128,400
(10) Medium Facility #2	1,700 (III)	6,600 as	—	128,400
(11) Relocatables, CMF, Vacaville	500 (III)	10,500 spwc	pending	—
(12) Relocatables, DVI Tracy	500 (III)	10,500 spwc	pending	—
(13) Relocatables, Southern California	500 (III)	10,000 aspw	pending	—
(14) Camps	300 (I)	15,000 aspw	—	—
(15) Special Housing CIW, Frontera	50 (III & IV)	2,000 spwc	—	—
Totals	11,850	\$161,800	pending	\$612,800

^a Security Levels: I—minimum, II—minimum/medium, III—medium, and IV—maximum.

^b Phase symbols indicate: a—acquisition, c—construction, p—preliminary plans, s—studies, EIR, Master Planning, schematics, and w—working drawings.

^c Department of Correction's estimate.

The amount requested in the budget includes \$92.6 million for development of a total of 5,550 beds at Tehachapi (1,000 beds), Adelanto (1,150

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

beds), San Diego (1,700 beds) and Folsom (1,700 beds). *In addition, \$69.2 million is proposed for development of 6,300 additional beds which have not been reviewed and approved by the Legislature in separate legislation.* Funding for all of these beds, other than those at Tehachapi, is dependent upon voter approval of the proposed New Prison Construction Bond Act of 1981 at the June election. Budget Bill language indicates that "in the event the bond measure does not obtain voter approval, such funding as required for the construction of the Southern Maximum Security Complex—Tehachapi, shall be recognized as a priority project and shall be available from the Special Account for Capital Outlay." If the bond measure is defeated, however, none of the other projects would proceed during the budget year.

Table 1 indicates that approval of the department's proposals for 1982-83 will result in future costs of more than \$610 million—\$304.6 million beyond the level of funds which would be available if the voters approve the bond program. Consequently, additional funding, other than bond funds authorized by the New Prison Construction Bond Act of 1981, will have to be identified in future years in order to complete the program proposed in 1982-83.

Even with approval of the bond issue by the voters and the appropriation of an additional \$304.6 million, the department's program would still leave the state well short of the capacity needed to accommodate the projected prison population in 1987 without double-celling. Based on CDC's current projections, the inmate population will be 46,700 in June 1987. This is 6,800 inmates more than the department's plan for permanent and temporary beds would provide. Based on the department's cost estimate, an additional 6,800 beds could cost as much as \$640 million excluding site acquisition costs. Thus, if the bond issue is approved and sufficient beds are added to eliminate overcrowding in 1987, the *future state cost (exclusive of the bond funds) will approach \$1 billion.*

Our analysis of the individual projects follows.

Southern Maximum-Security Complex—Tehachapi

We withhold recommendation on Item 5240-301-723(4), \$69.3 million for construction of new prison facilities at Tehachapi, pending review of the department's response to the 1981 Budget Act language requiring the department to identify cost-saving measures in this project.

The Legislature has appropriated \$22.3 million for preliminary plans, working drawings, and partial construction of the proposed new correctional facilities at Tehachapi. The project would provide 1,000 new maximum-security beds and develop adequate support facilities at the existing California Correctional Institution at Tehachapi to serve the increased population at this site. The estimated total cost of the proposed new facilities is \$91 million, indicating a *unit cost of \$91,000 per bed.*

The Legislature included language under Item 524-301-001(a), Budget Act of 1981, directing the Department of Corrections to identify elements in this project which could be deleted or downgraded to reduce project costs. This report is to be submitted to the Legislature by March 1, 1982.

The preliminary plans for the first 500-bed increment of construction have been completed. Our review of the project indicates several areas where the project cost could be reduced. The department is currently evaluating these potential reductions in preparing its March 1, 1982 report

to the Legislature. Pending receipt of the department's response to the budget language, we withhold recommendation on the requested construction amount.

Anticipated Staffing Requirements for New Facility. The design of the proposed new maximum-security complex at Tehachapi reflects the "state-of-the-art" in prison facilities design. Each 500-bed prison is divided into ten 50-bed units supervised by a control center on a 24-hour basis. The 50-bed units are further subdivided into independent units of 16 to 18 inmates. This configuration results in staffing requirements for the control rooms in each 500-bed unit totaling 49 positions. Overall, the total number of staff needed to operate each 500-bed unit is 210.8, or a ratio of 2.37 inmates per staff position. This compares to the CDC current and historical statewide ratio of about 3.2 inmates per staff position.

There are several factors causing the staffing requirements for the new maximum-security complex at Tehachapi to be higher than the statewide standard. Three major factors are:

1. The Legislature has directed the department to construct new prisons no larger than 500 beds. As a consequence, the support facilities such as industry, education, visiting, and departmental administration must be duplicated for each 500-bed unit—resulting in additional staff.

2. Subdivision of the prisons into units of 50 beds requires the assignment of officers to 10 control rooms with additional officers assigned as floor supervisors. The design of the physical facilities dictate this staffing requirement.

3. The project includes construction of five towers at each 500-bed facility. These require a total of 48 positions, at a cost of \$1.2 million in current dollars.

Potential for Reducing Staffing. There are opportunities for reducing the staff required to operate these new prisons. For example, the original design concept included only one centrally located guardtower for each 500-bed prison. One guard tower was recommended by the security consultant because this prison will have a substantial system of electronic surveillance equipment and other security-related measures to ensure the integrity of the confinement perimeter. These include:

- Microwave detection/alarms on all building roof-tops.
- Electronic fence detection systems on inner fences.
- Electric (E) field detection system in the "no-man's" area between the housing units and outer-perimeter fence.
- Two 16 foot fences on the outer perimeter of the institution.
- Perimeter security lighting.
- Supplemental security lighting—to automatically increase the illumination of perimeter areas—activated by the various electronic alarm systems.

These security measures represent the state of the art in correctional facilities planning. As a result, the original design concept envisioned one centrally located guard tower and roving auto patrols as adequate perimeter security. The department should reevaluate the necessity for five towers, and consider the alternative of a single tower with roving patrols. This alternative would reduce staffing costs by at least \$250,000 per year for each 500-bed prison. This reevaluation should be included in the department's March 1, 1982 submittal on the cost reductions proposed in the design of the new facility.

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued**California State Prison—Adelanto**

We withhold recommendation on Item 5240-301-723(1), \$4,000,000 for preliminary plans and working drawings for a new maximum-security complex at Adelanto, pending completion of land acquisition and environmental studies.

The department has proposed construction of a new prison at Adelanto to house 1,000 maximum-security prisoners, plus 150 minimum-security inmates to provide the services needed at the new facility. The department has identified funds available under Ch 1135/79 which can be used for acquisition and planning of the proposed Adelanto facilities. The estimated total cost of the proposed facility is \$92 million excluding land. The Legislature has not approved the proposal to locate a prison in the Adelanto area. Legislative approval—outside the budget process—is required by Ch 1122/80.

The department has not acquired a site for the proposed new facility, and the environmental studies are currently in progress. The environmental studies are scheduled to be completed in May 1982. This will allow the acquisition to proceed at that time. Given the current status of the project, it is not known what project work the department will be able to complete during 1982-83.

Potential Prototype Design. At the present time, the department does not intend to utilize the design of the Tehachapi facility for the proposed Adelanto development. While we have expressed concerns regarding the staffing required at the Tehachapi facility, a modified Tehachapi design which reduces staff requirements could be utilized at Adelanto. For example, subunits of the prison could be designed in such a manner that a control room would supervise 80 to 100 inmates, rather than 50 as proposed at Tehachapi. Modification of the housing unit configuration, however, would not affect the basic design of support and administrative facilities.

Using the Tehachapi plans as a "prototype" with minimal modifications to reduce staffing needs and to adjust for site conditions would result in:

- Less time to complete architectural/engineering design.
- Less costly architectural/engineering fees.
- Construction beginning sooner.
- Less inflation on construction costs.
- Needed prison beds being available sooner.

For these reasons, the Legislature may wish to consider requiring the department to use the prototype design concept. Moreover, in order to expedite completion of the project, the Legislature may wish to appropriate funds in 1982-83 for partial construction, to allow early construction of roads, utilities, and grading needed for the new facility. This procedure—used with a degree of success for the Tehachapi facility—should reduce the amount of time necessary for construction.

Accordingly, we withhold recommendation pending finalization of the EIR and land acquisition. In the interim, we suggest that prior to budget hearings, the department prepare the necessary planning documents for early construction of site development and utilities so that the Legislature will have adequate information on the work to be accomplished and the amount of funds needed.

State Prison—Folsom

We withhold recommendation on Item 5240-301-723(2), preliminary plans and working drawings for a new maximum-security facility at Folsom, pending completion of environmental studies and master planning for the proposed projects.

The budget includes \$12.8 million to develop architectural/engineering design documents for construction of 1,500 maximum-security beds and a 200-bed minimum security (level I) service facility at the Folsom State Prison site. The estimated total project cost is \$160 million.

Although planning funds for this project were included in the 1981 Budget Act, none of the work scheduled has been completed by the department. Environmental studies are currently underway and are not scheduled to be completed until April. However, because this facility is to be a maximum-security prison, knowledge gained through designing the Tehachapi and Adelanto prisons should expedite design of the Folsom facility.

We note that, although no land acquisition is required for the Folsom project, the estimated occupancy date is the same as for the San Diego medium-security complex. In our judgment, the new prison at Folsom should be able to proceed at a faster pace than the San Diego or Adelanto projects because the proposed site is already owned by the state.

Moreover, the proposed \$12.8 million for preliminary plans and working drawings is too costly. Design of the 1,500 maximum-security beds will be basically a repetitive design of three 500-bed units. The design cost should reflect this, and not be based solely on the estimated construction cost of the project. Furthermore, information developed on the other two maximum-security complexes (Tehachapi and Adelanto) and through the use of a "prototype design" should expedite design and reduce design costs.

If the department uses the "prototype design" concept and expedites this project, an appropriation for site work and utility installation may be advisable in 1982-83. Accordingly, we withhold recommendation on proposed preliminary plans and working drawing funds for this project, pending reevaluation of the design costs and development of an accelerated schedule.

Medium-Security Facility—San Diego

We recommend Item 5240-301-723(3), \$6.5 million for preliminary plans and working drawings for a new medium-security institution in San Diego County, be reduced by \$4.5 million by deleting working drawing funds.

The budget proposes \$6.5 million for preliminary plans and working drawings for a prison in San Diego County. The prison would include 1,500 medium-security (level III) beds and a 200-bed minimum-security (level I) service unit. The Budget Act of 1981 included \$5.2 million for site studies, environmental studies, and site acquisition for this prison. The estimated total cost for the project is \$135 million, excluding land acquisition.

Budget Act language under Item 524-301-001 required the department to submit to the Legislature by September 1, 1981, a site selection for the proposed San Diego prison. The state currently owns a site in the Otay Mesa area of San Diego County but development of a new border crossing may render this site inappropriate for a prison facility. The department's September 1, 1981 report recommended acquisition of an alternative site. The department, however, has neither acquired an alternate site nor

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

started environmental studies. The department indicates that environmental studies on the alternate sites will be completed in August 1982, and site acquisition will be completed some time after that date.

Because this is the first medium-security permanent prison proposed for development, the program requirements at the San Diego facility will be different from those at Tehachapi, Adelanto, and Folsom.

Our analysis indicates that it will not be possible for the department to proceed into the working drawing stage for this project during 1982–83. To provide adequate funds so that the department continues planning, we recommend that preliminary planning funds of \$2 million be appropriated. Accordingly, we recommend that the item be reduced by \$4.5 million by deleting working drawing funds. The Legislature can defer the appropriation of working drawing and construction funds to the 1983–84 fiscal year without delaying the anticipated occupancy date.

Temporary Housing

We recommend deletion of Item 5240-301-723 (5), \$2,000,000 for acquisition and construction of temporary housing at various locations.

The budget includes \$2,000,000 for acquisition and construction of temporary housing units at unidentified sites throughout the state. The department indicates that the funds would provide 300 minimum-security beds.

The department has not provided any information to substantiate the requested funds. Furthermore, construction of temporary housing units has been significantly more costly than this proposal would indicate. For example, construction of 108-bed satellite units at five existing institutions in the current year varied in costs from \$10,000 to \$12,000 per bed. The 1982–83 budget request, however, anticipates costs of \$6,700 per bed. Further, the department has had difficulty in locating and developing previously funded temporary facilities. The department has provided no information indicating the location or schedule for developing the temporary facilities to be constructed under the 1982–83 proposal. Due to the fact that information is not available to substantiate this request, we recommend deletion of the project.

California Men's Colony—West Facility Reactivation Phase II

We recommend that the Department of Finance allocate project planning funds, which are available in the current year, to develop adequate engineering and cost data for reactivation of additional beds at the California Men's Colony—West Facility. Pending receipt of the needed information, we withhold recommendation on the requested funds.

The department deactivated the California Men's Colony (CMC)—West Facility in 1971. Prior to that time, the facility had operated as a minimum-security institution with capacity of 900 inmates. In the current year, the department has undertaken a project to upgrade a portion of the west facility to provide adequate facilities for 450 minimum-security inmates. The project has not proceeded because of inadequate environmental impact information. A court has suspended further upgrading until the EIR is resolved. This should occur by March 1982. The budget request provides funds to develop adequate facilities to accommodate an additional 450 inmates—for a total of 900 inmates.

Reactivation of facilities at the CMC—West Facility should provide

needed beds at a low cost. The department, however, has not developed adequate information to substantiate the requested funds. Furthermore, we question the need to construct new facilities which would duplicate existing facilities. For example, the department's 1982-83 proposal includes construction of a new gymnasium. The existing facility includes a gymnasium which served the 900-inmate population before the facility was closed. This gymnasium should be adequate for the population to be assigned to the reactivated facility.

In summary, we withhold recommendation on construction funds to reactivate additional beds at CMC—West Facility, pending receipt of additional cost information and engineering detail on the renovations needed to reactivate this facility to house 900 inmates.

Baker Medium Facility

We recommend Item 5240-301-723 (7), \$1,500,000 for facilities improvements at Baker, be deleted, because operation of this leased facility as a correctional institution is not viable and would be too costly.

The budget proposes \$1,500,000 for major alterations to a housing complex which the department proposes to lease and use as a 300-bed medium-security prison facility. The housing complex is in the community of Baker (population 300) located in the Mojave Desert midway between Barstow, California and Las Vegas, Nevada. The complex includes 53 concrete-block single-family houses plus a recreation hall, an administration building, and a maintenance building.

This complex was constructed in the early 1970s by the telephone company to house workers assigned to service microwave facilities located in the desert. The complex was sold by the telephone company and is in private ownership. Eleven families are now renting homes in this complex. The department plans to use 36 houses for staff housing and modify 17 houses for inmate housing. The capital outlay proposal includes construction of:

- Two guardtowers,
- Perimeter fencing,
- A modular building to provide kitchen facilities (includes purchase of kitchen equipment),
- Family visiting trailers, and
- Installation of nine 18-bed modular dormitories.

The department began an environmental study in connection with the proposed Baker facility. However, the draft EIR recently has been withdrawn by the department, and there is no indication that a new EIR is underway. Thus, the anticipated completion date of the needed EIR is uncertain.

Our analysis of the department's proposal to convert the housing complex at Baker into a prison indicates that the project is not viable, and if it were, the cost to operate the facilities would be excessive.

Inappropriate Facilities for Medium-Security Inmates. The department's proposal includes modification of existing single-family residences into inmate housing. Our review of the proposal indicates that this facility would be costly to modify to meet CDC's needs and would not provide adequate facilities. For example:

- Substantial portions of the interior improvements (cabinets, stoves, refrigerators) in these houses would be removed which would then render them unusable as single-family residences if CDC were to

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

vacate the leased facility.

- The facilities would provide housing for only one-half of the staff needed to operate the facility. No other housing is available in Baker, and the nearest community—Barstow—is 60 miles away.
- According to the Community Service District, present sewage and water facilities cannot adequately service the planned facility.
- The facility is composed of single-family residences; consequently adequate security of the complex may not be possible.
- Maintenance of the facility would be costly due to the individual, separate heating, ventilation and plumbing systems.
- There is no engineering design to substantiate the estimated cost of modifying the existing facility.
- Adequate schools are not available for the potential increase in students from staff families.

Moreover, the Legislature has not reviewed or approved the department's plan to occupy the Baker site. Chapter 1122, Statutes of 1980, requires that the Legislature approve the department's facilities plan outside the budget review process.

High Cost to Operate the Facility. In addition to the \$1.5 million in capital outlay expenditures necessary to upgrade the Baker facilities, the department has budgeted \$365,000 to lease the facilities. The terms of the lease, however, are not known at this time. In addition, the budget indicates that the Baker facility would have a ratio of 2.1 inmates to one staff with a per capita cost of \$25,396 for 1982-83. This compares to the Department of Correction's average per capita cost of \$13,062. While this per capita cost may include some "start-up" costs, the ultimate cost to operate the facility is not clear. The department should indicate the ongoing costs beyond the budget year.

Contract Management—New Prison Program

We withhold recommendation on Item 5240-301-723(8), pending submittal by the department of an organizational structure to manage the new prison construction program.

The budget proposes \$1,500,000 for technical and professional services to manage the new prison construction program. According to the department, these funds would be used to hire a management firm to provide services to monitor (1) the overall cost of new prison projects, (2) the timely completion of projects, and (3) the quality of construction.

In our analysis of the Department of Correction's 1981-82 capital outlay request, we indicated that the scope of new prison construction justified use of a construction management firm to assist the department in the execution of this plan. We continue to recommend that the department utilize the services of such a management firm.

The department, however, has not provided any information to indicate what services would be provided through the \$1.5 million appropriation contained in the budget. Moreover, as previously indicated, *the department has not made satisfactory progress in restructuring its organization to assure that the prison construction program is expedited.* Until the department details and implements the necessary changes, the benefit from obtaining the necessary management services cannot be determined.

Consequently, while we agree with the need for technical and profes-

sional services relative to management of the overall prison construction program, we have no basis on which to judge the appropriateness of the requested funds. We recommend that prior to legislative hearings on the budget, the Department of Corrections prepare (1) a description of the organizational structure under which the construction management firm would operate, (2) a definition of the work to be accomplished and (3) a time schedule for implementing the overall organizational changes. Pending receipt of this information, we withhold recommendation on the \$1.5 million proposed under this item.

Proposed New Permanent Facilities Not Reviewed and Approved by the Legislature

We withhold recommendation on Items 5240-301-723(9) and (10), \$13.2 million for land acquisition, EIR, initial studies, planning, master planning and schematics for new medium-security facilities Nos. 1 and 2, pending receipt of adequate information for legislative review of the proposed new prisons.

The budget includes two items for land acquisition and preliminary studies related to two new permanent medium-security (level III) prisons. These prisons would each contain three 500-bed level III units and a 200-bed minimum-security (level I) support services facility. The department's proposals do not identify proposed sites. However, one project is titled Los Angeles County and the other project designates Southern California as a proposed location. These designations are not included in the Budget Bill. The estimated total cost for the proposed new facilities is \$135,000,000, with occupancy of each planned for 1987.

Chapter 1122, Statutes of 1980, specified that any plan developed by CDC for construction of permanent new capacity shall not be adopted or implemented until such proposal is submitted to the Legislature and enacted into law outside the budget process. The two new medium-security prison facilities proposed in the budget constitute a new plan for development of permanent capacity which the Legislature has not reviewed.

The department should provide additional information so that the Legislature can adequately evaluate these proposals. At a minimum, the department should provide:

- A list of potential sites for these new institutions.
- The estimated cost and proposed schedule for Environmental Impact Reports and land acquisition.
- The anticipated program missions of these institutions (vocational or academic education, work programs, and industries).
- Anticipated staffing requirements.
- Proposed schedule for master planning, design and construction.
- Proposed legislation for legislative approval of the facilities planned.

The Legislature has appropriated \$4,250,000 in Ch 1135/79 for acquisition of sites for new prisons. A portion of these funds could be used by the department to evaluate potential new prison sites so that adequate information is available to the Legislature when authorization for new prisons is requested. Furthermore, to expedite acquisition of such sites, the department should consider securing purchase options on proposed sites. Under this method of land acquisition, the department could reserve the right to purchase specific property until the Legislature has reviewed and approved the proposal. Such contracts to reserve property, or purchase

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

options, can be secured at a nominal fee and would expedite the overall acquisition process. Through this procedure, the Legislature would know specific site locations and associated acquisition costs prior to appropriating funds for land acquisition and planning.

Pending receipt of information needed for legislative review of the department's proposals for new medium-security facilities, we withhold recommendation on funds proposed for these projects.

500-Bed Modular Facilities—Vacaville, Tracy, and Southern California

We withhold recommendation on Item 5240-301-723 (11), (12), and (13), \$31 million for construction of three 500-bed relocatable prisons, pending receipt of additional information from the department.

The budget includes \$21 million for environmental studies, preliminary plans, working drawings and construction of 500-bed modular prisons at the California Medical Facility, Vacaville and the Deuel Vocational Institution, Tracy. In addition, \$10 million is proposed for land acquisition, environmental studies, preliminary plans, and working drawings for a similar facility at an unidentified site in Southern California. The future cost for construction of the Southern California facility is estimated to be \$5.5 million. The department indicates that these projects would provide the department with additional medium-security (level II and level III) beds to help meet the projected population increase in the next five years.

We have not received adequate information on which to evaluate the department's request for construction of relocatable prison facilities. These facilities were not included in the department's original Facilities Requirement Plan, or in the 1981 update submitted to the Legislature. The proposed 500-bed institution is a new element in the department's facilities plan and additional information needs to be developed to substantiate the feasibility and cost of the proposed projects. We have no information on:

- The basis of the funds requested in the budget.
- The anticipated cost to staff and operate these facilities.
- The anticipated length of time which these facilities will be occupied.
- The programs anticipated to be provided at these new facilities.
- The potential sites available for the proposed Southern California facility.
- The adequacy of existing support programs (medical, maintenance, food services, etc.) to service these facilities.

The department should address these issues as well as provide an update of its facilities requirement plan which reflects the most recent departmental plans in comparison to the projected inmate population. Until such additional information is provided, we withhold recommendation on funds proposed for the modular prison facilities included in Items 5240-301-723 (11), (12), and (13).

New Camps

We recommend Item 5240-301-723 (14), \$15 million for land acquisition, environmental studies, preliminary plans, working drawings and construction of new camp facilities, be deleted, because alternative means of providing this camp space can be implemented faster and at less cost.

The budget proposes \$15 million for acquisition, planning and construction of three new 100-bed conservation camps to house minimum-security

(level I) inmates. The proposed sites for these new camps are (1) on the eastern side of Pacheco Pass, Merced County on property owned by the Department of Parks and Recreation, (2) on the grounds of the Correctional Training Facility at Soledad, and (3) an unknown site in Ventura County.

No specific information justifying the requested funds has been provided by the department. Consequently, we have no basis on which to judge the adequacy of the amounts requested.

We have identified, however, an alternative means of providing the 300 additional camp beds proposed by the department. In our analysis of the California Conservation Corps (CCC) budget (Item 3340-001-001), we indicate that potential savings in the Corps budget can be generated by transferring Corps members from five camps to other Corps facilities. The resulting surplus facilities would be available for transfer to CDC and would provide an additional 400 camp beds at little or no capital cost. Accordingly, we recommend deletion of the \$15 million proposed under Item 5240-301-723 (14) for construction of three new camps.

Special Housing Unit—California Institution for Women, Frontera

We recommend deletion of Item 5240-301-723 (15), \$2 million for construction of a special housing unit at the California Institution for Women, Frontera, because existing facilities can be altered to provide these units.

The budget proposes \$2 million for installation of a 50-bed special housing facility at the California Institution for Women (CIW), Frontera. Construction of a 50-bed modular facility would provide capacity to house inmates assigned to the special housing unit, management control unit, protective housing unit, and condemned row. The department indicates that the present facility is limited in its ability to handle inmates who are security problems.

Many of the existing institutions operated by the Department of Corrections have been altered to provide special housing units within the confines of the general population institutions. These alterations generally involve construction of additional barriers to restrict movement of the inmates, and provisions for the additional staff needed to supervise movement of such inmates. The department should evaluate alterations to existing buildings to accomplish its objectives at this prison. Moreover, the department's Facilities Plan includes construction of a new 500-bed women's facility in Northern California which would alleviate some of the facilities problems at CIW. Accordingly, we recommend deletion of funds proposed for construction of the 50-bed addition to this institution.

CAPITAL OUTLAY PROGRAM, EXISTING INSTITUTIONS

The budget proposes \$14,438,000 from the Special Account for Capital Outlay (SAFCO) in the General Fund, and \$2,753,000 from the Energy and Resources Fund (ERF), Energy Account, for various projects at existing correctional institutions. A portion of these funds are to replace funds proposed for reversion in the current year (Item 5240-495).

For legislative review purposes, we have divided our analysis of these projects into four categories: (a) Proposed reversions and funds proposed to replace reverted appropriations (\$3,783,000), (b) projects from the SAFCO for general improvements (\$8,036,000), (c) projects for alternate energy and energy conservation from the SAFCO (\$2,965,000) and the ERF (\$653,000), and (d) minor capital outlay funds from the SAFCO (\$1,239,000) and from the ERF (\$515,000).

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued**Inadequate Project Information for Legislative Review**

The budget includes funds for 25 major capital outlay projects at existing correctional institutions. In our analysis of the individual project requests, we indicate in most instances that the administration has not provided adequate information to substantiate the requested amount of capital outlay funds. Consequently, we are unable to advise the Legislature of the appropriateness of the amount proposed in the budget. We have withheld recommendations in those cases where the department has provided adequate program information, but the proposal lacks information regarding implementation and associated costs. In several instances these proposals are related to security within the prisons. We believe it is essential that the administration assign a high priority to these projects so that the necessary information is developed prior to budget hearings.

In our judgment, the lack of information needed by the Legislature to consider these projects is a direct result of the administration's failure to coordinate adequately the capital outlay planning process.

State Administrative Manual (SAM) Procedures Not Followed. The SAM established a specific planning and review process for major capital outlay proposals that are to be included in the Governor's Budget. Departments are required to submit programmatic justification for proposed projects to the Department of Finance by April 1 of the year preceding the publication of the "Governor's Budget." The Department of Finance is to review this information and schedule meetings with the department involved and the office of the Legislative Analyst to evaluate project scope and identify additional information needed to properly evaluate the proposals. Based on programmatic needs, the Department of Finance authorizes preparation of budget packages by the Office of State Architect (OSA). The budget packages include a schematic design, outline specification, and preliminary cost estimate based on an architectural/engineering evaluation of the project proposed by the department. This information is to be prepared and forwarded to the Department of Finance in adequate time for review prior to issuance of the Governor's Budget. Informational copies of this material are to be provided to the office of the Legislative Analyst for use in preparing the "*Analysis of the Budget Bill*."

To our knowledge, the Department of Corrections is the only department which submitted copies of its 1982-83 capital outlay request to the Department of Finance and the Legislative Analyst by April 1, 1981. (This submittal did not include any projects anticipated under the new prison construction program.) Despite the timely submission of the programmatic justification of the proposed projects, the "scope meetings" to review project information were not held until July, and authorization for preparation of budget packages was not initiated until August. The OSA did not complete some budget packages until January, and some have not yet been completed.

As a result, the information needed by the Legislature to review projects proposed by the department is not available at this time. The problem of inadequate planning for capital outlay projects included in the Governor's Budget has existed for some time, and we believe it must be addressed by the Department of Finance. The procedures outlined in the SAM are sufficient to ensure adequate administrative and legislative review of the capital outlay program. New procedures are not needed;

instead, compliance with the existing procedures is required. Prior to budget hearings, the Department of Finance should indicate what procedures it intends to implement to ensure that the planning process established in SAM is followed.

Transfer to General Fund

We recommend that the savings resulting from our recommendations on Items 5240-301-036 and 5240-301-189—\$1,668,000—be transferred from the Special Account for Capital Outlay and from the Energy and Resources Fund to the General Fund in order to increase the Legislature's flexibility in meeting high-priority needs statewide.

We recommend reductions amounting to \$1,668,000 in the Department of Corrections' capital outlay proposal from the Special Account for Capital Outlay (SAFCO) and the Energy and Resources Fund (ERF). Approval of these reductions, which are discussed individually below, would leave an unappropriated balance of tideland oil revenues in the SAFCO and ERF which would be available only to finance programs and projects of a specific nature.

Leaving unappropriated funds in special purpose accounts limits the Legislature's options in allocating funds to meet high-priority needs. So that the Legislature may have additional flexibility in meeting these needs, we recommend that any savings resulting from approval of our recommendations be transferred to the General Fund.

A. REBUDGETING OF FUNDS PROPOSED FOR REVERSION

The budget proposes reversion of \$3,972,000 from the Special Account for Capital Outlay and the Energy and Resources Fund, Energy Account for projects approved in the 1981 Budget Act. The administration has proposed reversions of these capital outlay funds in order to make these funds available to the General Fund so as to avoid a deficit in the current year. In order for these projects to proceed in 1982-83, the budget proposes funds to replace the funds reverting in the current year.

Table 2 shows the specific projects approved in the 1981 Budget Act and the rebudgeted funds proposed for 1982-83. Funds for two projects proposed for reversion are not rebudgeted in the budget year. A description of the specific projects follows.

Table 2
Department of Corrections
1982-83 Project Funds to Replace Funds
Proposed for Reversion
(in thousands)

<i>Fund/Location/ Project Title</i>	<i>Amount Appropriated Budget Act of 1981^a</i>	<i>Amount Expended</i>	<i>Amount Reverting Under Item 5240-495</i>	<i>Budget Bill Amount^a</i>	<i>Analyst's Proposal</i>	<i>Estimated Future Cost^b</i>
<i>036—Special Account for Capital Outlay (SAF- CO)</i>						
Milk processing facility— Deuel.....	\$53 pw	\$20	\$33	\$33 w	\$33	\$831
Visiting facility—Soledad, North Facility	493 pwc	7	486	524 wc	524	—
Hospital licensing stand- ards—San Quentin....	253 pwc	2	251	269 wc	pending	—

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

Family visiting units—San Quentin.....	266 pwc	8	258	274 wc	274	—
Milk processing facility— Chino.....	900 pwc	—	900	977 pwc	977	—
Subtotals.....	\$1,965	\$37	\$1,928	\$2,077	pending	\$831
<i>189—Energy and Re- sources Fund (ERF)</i>						
Replace fuel burners— Deuel.....	\$20 pw	—	\$20	—	—	—
Cogeneration—Soledad ..	200 pw	\$79	121	\$121 w	\$121	2,965
Direct heat geothermal— Susanville	1,464 pwc	—	1,464	1,464 c	1,464	—
Boiler heat recovery sys- tem—San Luis						
Obispo.....	318 pwc	—	318	—	—	—
Cogeneration—Chino	200 pw	79	121	121 w ^c	pending	—
Subtotals.....	\$2,202	\$153	\$2,044	\$1,706	pending	—
Totals.....	\$4,167	\$195	\$3,972	\$3,783	pending	\$3,796

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

^b Department's estimate.

^c Construction funds of \$2,965,000 are also included in the Budget. This project is discussed in the Energy Conservation portion of the analysis. Funding of the total request of \$3,086,000 is proposed from SAFCO.

Reversions and Rebudgeted Funds Recommended for Approval

We recommend approval of the proposed reversion of 10 prior appropriations listed under Item 5240-495. We further recommend approval of the proposal to restore funds for six projects which have previously been approved by the Legislature.

The six projects discussed below were approved in the 1981 Budget Act but were not accomplished because of the administration's freeze on capital outlay expenditures. The scope of each project has not been unchanged and the estimated construction cost has been adjusted for inflation.

Milk Processing Facility—Deuel Vocational Institution, Tracy. This project would provide a new processing plant for the dairy operation at this institution. The future cost for the construction phase of the project is estimated to be \$831,000.

Visiting Facility—Correctional Training Facility, Soledad. The proposed \$524,000 would provide for construction of a new visiting room at the north facility. The existing visiting room is too small to accommodate the present and projected population at this facility.

Family Visiting Unit—San Quentin. The \$274,000 would provide for construction of modular housing facilities to be used by inmates housed in a minimum-custody portion of San Quentin. At the present time, no visiting facilities are available to these inmates.

Milk Processing Facility—Chino. The \$977,000 request would replace \$900,000 reverting in the current year. The proposal would provide new equipment and milk processing facilities to replace the existing facility operated by correctional industries.

Cogeneration—Soledad. The budget includes \$121,000 to restore working drawing funds for installation of a cogeneration system at Soledad. The project would provide for installation of gas-turbine generators with waste heat boilers. The estimated future cost for construction is

\$2,965,000.

Cogeneration—Chino. The Budget Act of 1981 appropriated \$200,000 from the Energy and Resources Fund for preliminary plans and working drawings for this project. Preliminary planning funds (\$79,000) have been expended and the remaining working drawing funds of \$121,000 are proposed for reversion. The budget proposes appropriation of working drawings and construction funds in the amount of \$3,086,000 from the Special Account for Capital Outlay, rather than from the ERF. We recommend approval of the reversion, and we have included a detailed discussion of this project under our analysis of the department's projects for energy conservation.

Reversions and Rebudgeted Funds Recommended for Approval with Modifications

The following two projects were approved in the 1981 Budget Act but did not proceed because of the administration's freeze on capital outlay expenditures. The scope of each project has not been changed and the estimated construction cost has been adjusted for inflation. We recommend modifications to the proposed appropriations to account for prior legislative action and changes in the department's plans. The projects are discussed below.

Hospital Licensing Standards—San Quentin

We withhold recommendation on \$269,000 proposed to rebudget funds for a project to modify the hospital at San Quentin to meet licensing standards because the department may close this hospital.

The Budget Act of 1981 included \$253,000 to modify the hospital at San Quentin to meet licensing standards. The project includes installation of new doors, glazing, and ceilings to establish a one-hour fire-rated corridor. Approximately \$2,000 of the original appropriation has been expended for preparation of preliminary plans, and the remaining \$251,000 for working drawings and construction is proposed for reversion. The budget, however, requests appropriation of \$269,000 under Item 5240-301-036 (15) to restore the working drawing and construction funds for this project.

Modifications to the San Quentin hospital may not be needed because the department has proposed funds elsewhere in the budget to upgrade facilities at the California Medical Facility (CMF) at Vacaville and thereby centralize Northern California hospital services at Vacaville. In our analysis of the CMF project, we note that the department has not provided adequate information regarding the anticipated cost savings which would be generated through this consolidation. We have, therefore, withheld recommendation on the CMF project. Accordingly, we withhold recommendation on funds to modify the hospital at San Quentin because these modifications may not be needed if it is determined that consolidation of medical services at CMF is feasible and economical.

Direct Heat Geothermal—Susanville

We recommend adoption of Budget Bill language requiring a cost/benefit analysis of this project, based on a completed agreement for use of geothermal energy.

This \$1,464,000 project would provide for installation of piping and heating equipment to allow the institution to utilize geothermal energy from wells being developed by the City of Susanville. Language in the 1981 Budget Act requires the department to submit a cost/benefit analysis of

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

the proposed project based on the completed agreement with the city for the purchase of this energy. The department has not submitted such a report and we, therefore, recommend the budget language adopted in the 1981 Budget Act be continued for the funds proposed for this project for 1982-83 under Item 5240-301-189(3).

Reversions of Prior Appropriations Without Rebudgeting of Funds

We recommend approval of the reversions of Item 524-301-189(b) and (e), Budget Act of 1981, for replacement of fuel burners—Deuel Vocational Institution (\$20,000) and boiler heat recovery system, San Luis Obispo (\$318,000), respectively.

These two projects were included in the Budget Act of 1981 and are proposed for reversion under Item 5240-495. The budget, however, does not propose any new funds to restore these projects. The budget act language required the department to evaluate these projects in light of proposed cogeneration facilities at these institutions. Apparently, the analysis has indicated that the proposed energy conservation measures would not be cost effective given the fact that cogeneration is planned at these facilities. Thus, we recommend approval of the proposed reversion. We further recommend that no additional funds be provided to continue the projects into the budget year.

B. GENERAL IMPROVEMENT PROJECTS

The budget proposes a total of \$8,036,000 for general improvement projects to be funded from the SAFCO. The requested projects are summarized in Table 3.

Table 3
Department of Corrections
General Improvement Projects
Item 5240-301-036
(in thousands)

<i>Item, Project</i>	<i>Location</i>	<i>Budget Bill Amount^a</i>	<i>Analyst's Proposal^a</i>	<i>Estimated Future Cost^b</i>
Convert warehouse to vocational/maintenance complex—Central Facility	Soledad	\$1,440 c	Pending	—
Replace food service building—South Facility	Soledad	150 pw	Pending	—
Replace perimeter lighting—Central and North Facilities	Soledad	500 c	\$432	—
Remodel locking devices (phase I)	Deuel	2,413 c	Pending	—
Install 6 generators for emergency lighting	Folsom	200 pwc	Pending	—
Relocate control room—West Facility ..	Chino	254 pwc	—	—
Renovate locking devices—East Facility	Chino	26 pw	26	\$2,055
Hospital licensing modifications	Vacaville	500 pwc	Pending	—
Industries warehouse	Vacaville	572 pwc	290	—
Install emergency generator—East Facility.....	San Luis Obispo	1,258 pwc	Pending	—
Install dumbwaiters in lockup units	San Quentin	273 pwc	Pending	—
West block security modifications.....	San Quentin	300 pwc	—	—
Upgrade primary electrical system.....	Frontera	150 pwc	75	1,450
Totals.....		\$8,036	Pending	\$3,505

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

^b Department estimate.

Convert Warehouse to Vocational Complex—Correctional Training Facility (CTF), Soledad

We withhold recommendation on Item 5240-301-036(2), \$1,440,000 for construction to convert an existing warehouse to vocational education facilities at CTF, Soledad, pending receipt of adequate project scope and cost information.

The budget includes \$1,440,000 to convert an existing warehouse at CTF, Soledad to provide additional vocational education space needed due to overcrowding at this prison.

Chapter 1135, Statutes of 1979, appropriated \$2,250,000 to the department for various projects to mitigate overcrowding. One approved project provided construction of a new warehouse outside the security perimeter of CTF. Upon relocation of the warehouse functions, the department proposes renovation of the existing warehouse to accommodate nine vocational programs. The renovated facility will provide new work assignments and vocational education programming for 360 inmates. The department indicates that this will eliminate much of the idleness among the inmate population and reduce related problems.

Our analysis indicates that the proposed project is needed to provide additional vocational training and work assignments for the increased population at this facility. We have not, however, received any information to substantiate the proposed construction amount. Moreover, the department has recently revised its plans for the particular vocational programs to be accommodated within this facility. Consequently, we withhold recommendation on Item 5240-301-036(2), pending receipt of (1) information on the impact of these program changes on the proposed alteration and (2) adequate project cost information.

Replace Food Service Building—Correctional Training Facility (CTF), Soledad, South Facility

We withhold recommendation on Item 5240-301-036(3), \$150,000 for preliminary plans and working drawings to replace the foods service building at CTF, south facility, pending receipt of adequate project scope and cost information.

The budget proposes \$150,000 for preliminary plans and working drawings to replace the existing kitchen and dining facilities at the CTF, Soledad, south facility. The proposed project would replace an existing quonset hut-type food service building which has been used for approximately 35 years. This facility is inadequate to serve the number of inmates assigned to the south facility. This portion of the prison has a design capacity of 410 inmates, but currently houses over 500 inmates. The existing dining area has a capacity of about 200 inmates. Thus, meals must be served in shifts. The department estimates that the future cost of construction of a 12,420 square foot replacement facility is \$1.4 million.

We have not received any information to substantiate the requested planning funds for this project. Our review of the existing facility, however, indicates that it is inadequate and a new facility is needed. Consequently, we withhold recommendation on the proposed planning funds, pending receipt of adequate program and cost information which needs to be developed for this project.

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued**Replace Perimeter Lighting—Correctional Training Facility (CTF), Soledad, Central and North Facilities**

We recommend that Item 5240-301-036(4) be reduced by \$68,000 to correct overbudgeting of project funds.

The budget proposes \$500,000 to construct a new perimeter lighting system for CTF, Soledad, central and north facilities. The existing lighting system consists of incandescent light fixtures which are not reliable. The project would provide for installation of new high-pressure sodium fixtures on 35 foot aluminum masts. Funds for preparation of preliminary plans and working drawings in the amount of \$31,600 were included in the 1981 Budget Act.

Preliminary plans for this project have been completed by the Office of State Architect. The preliminary planning cost estimate indicates that \$452,000 is needed to complete construction of the project. Consequently, the budget request of \$500,000 is \$48,000 more than the most current project estimate. Moreover, the budget includes an excessive amount for contingency and architectural (A/E) services. These costs are budgeted at 25 percent of the estimated project cost but should not amount to more than 18 percent of the estimated contract cost. A reduction of \$20,000 in the proposed budget would reduce these items to a supportable level. Accordingly, we recommend Item 5240-301-036(4) be reduced to \$432,000 by deleting \$48,000 in excess construction funds and \$20,000 in excess A/E contingency funds, for a total savings of \$68,000.

Remodel Locking Devices—Deuel Vocational Institution (DVI), Tracy

We withhold recommendation on Item 5240-301-036(6), \$2,413,000 for construction to remodel locking devices, pending receipt of information from the Department of Finance on the cost impact of phasing construction of this project.

The budget includes \$2,413,000 for construction funds to replace the locking devices at DVI. The Budget Bill indicates that the requested funds represent "phase I" to replace hinged cell-doors with sliding doors to be operated by new electro-mechanical locking devices. The existing doors do not provide adequate security, and inmates have used the doors as a weapon against correctional officers.

The Legislature approved preliminary plans and working drawings for replacement of the doors and locking devices at DVI and appropriated \$125,000 under Item 524-301-036(c) in the 1981 Budget Act. The budget request includes construction funds (\$2,413,000) for a portion of the project approved by the Legislature. According to the department, construction of all needed modifications will cost \$5,450,000. Consequently, future construction funds to complete the project as approved by the Legislature will be at least \$3,037,000.

The Department of Corrections requested funding to replace all doors and locking devices at DVI in lieu of phasing the work as proposed in the Budget. This request was priority four out of 33 projects proposed for improvements at existing institutions. In view of the critical nature of this project, it may not be prudent to phase the work over two or more fiscal years. Moreover, phasing will result in additional cost due to (1) inflation and (2) additional contract administration cost.

We recommend that prior to legislative hearings on the budget, the

Department of Finance indicate the reason why the project approved by the Legislature has been proposed for funding on a phased basis. In addition, the department should indicate the potential security problems and additional cost attributable to funding the project in this manner. Pending receipt of this additional information, we withhold recommendation on the proposed amount for construction of the phase I modifications in Item 5240-301-036(6).

Emergency Lighting System—Folsom State Prison

We withhold recommendation on Item 5240-301-036(7), \$200,000 to install six generators for an emergency lighting system at Folsom State Prison, pending receipt of adequate project scope and cost information.

The budget includes \$200,000 for preliminary planning, working drawings and construction of an emergency lighting system at Folsom State Prison. The project includes installation of six small generators in the main housing unit, boiler facility, and armory. The department indicates that existing generators are not dependable or adequate in size to provide lighting under emergency situations.

We have not received adequate project scope or cost information for this project. While the department indicates that some of the existing equipment is inadequate, there has been no evaluation of the potential for modifying this equipment to meet the department's need. Moreover, a budget estimate recently prepared by the Office of State Architect indicates that the proposed emergency generators would cost \$275,000 rather than the \$200,000 included in the budget.

Our analysis indicates that some improvements are needed to assure an adequate emergency lighting system at Folsom. The necessary improvements, however, may be less costly if existing equipment is upgraded. Prior to budget hearings, the department should evaluate this option. Pending this evaluation and a clarification of project costs, we withhold recommendation on the requested amount.

Relocate Control Room—California Institution for Men (CIM), Chino

We recommend Item 5240-301-036(10), preliminary plans, working drawings and construction of a new control room at the CIM, west facility, be deleted for a savings of \$254,000.

The budget proposes \$254,000 for preliminary plans, working drawings, and construction of a new control room at the CIM, Chino, west facility. This portion of the CIM houses medium-security (level II) inmates in dormitory facilities. The department proposes construction of a two-story concrete-block building to house a control room for the main yard. The existing control room is contiguous with the administration building. The department is concerned that in the event of a riot, the existing control room would be vulnerable to take over. This could result in destruction of records and/or loss of control of the institution.

Our analysis indicates the department has not adequately evaluated alternatives to this proposed project.

Upgrading of Existing Facility Not Considered. The department indicates that the proposed new control room is in response to a recent security survey. The survey noted that the existing control room—constructed of wood and plate-glass windows—is vulnerable during a riot. The survey report recommended that the control room be rebuilt using reinforced concrete block construction and security-type windows. In addition, the report recommended that a fence be constructed in front of the adminis-

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

tration building and control room to prevent inmate access adjacent to the building.

We have not received any information to indicate that the department has evaluated the cost of these modifications or implemented any interim improvements. The Department of Corrections did request \$35,000 in minor capital outlay funds for installation of the fence recommended by the security survey. The administration, however, has not proposed funding of this project.

Our analysis indicates that a thorough evaluation of alternative means of providing adequate security to the existing control room should be conducted before funds are appropriated for replacement of the facility. Accordingly, we recommend the proposed funds for the replacement facility be deleted, a reduction of \$254,000.

Renovate Locking Devices—California Institution for Men (CIM), Chino, East Facility

We recommend approval of preliminary plans and working drawing funds to renovate locking devices at the CIM, Chino, east facility.

The budget proposes \$26,000 for preparation of preliminary plans and working drawings to renovate the locking devices at the CIM, Chino, east facility. The department indicates that the locking devices are inadequate for the following reasons:

- Inmates can manipulate the locks and open cell doors.
- On occasion, positive locking does not occur for all cells.
- Control panels and motors are light duty and are serious maintenance problems.
- Portions of the mechanical system for door closing operations are not made of durable material and have worn extensively.
- Replacement parts for the existing system are not readily available.
- Many of the cell doors will not open and/or close when security controls are activated. As a result, many cells are inoperable and cannot be used.

The proposed budget item would provide preliminary plans and working drawings to remedy these problems. The estimated future construction cost request is \$2,055,000.

Our analysis indicates that the proposed project is needed if the department is to operate this facility at its designed capacity. The proposed project cost and scope are reasonable, and we recommend approval of the proposed preliminary plans and working drawing funds contained in Item 5240-301-036(11).

Hospital Licensing Modifications—California Medical Facility (CMF), Vacaville

We withhold recommendation on Item 5240-301-036(12), \$500,000 for preliminary plans, working drawings, and construction of licensing modifications at CMF Vacaville, pending receipt of (1) adequate project scope and cost information and (2) an analysis of the impact of closing the hospital at San Quentin.

The budget includes \$500,000 for preliminary plans, working drawings, and construction for modifications to meet hospital licensing requirements at the California Medical Facility at Vacaville.

Project Title Misleading. Information provided by the Department of

Corrections indicates that the proposed modifications are not based solely on correcting licensing deficiencies. The department indicates that the proposed project would provide for construction of new facilities at CMF to increase the number of acute-care hospital beds from 40 to 120. Thus, the main purpose of the project is not to correct licensing deficiencies but to provide an increase in hospital capacity at CMF. The department's plan includes centralizing acute-care services at CMF and changing the function of the San Quentin hospital to an infirmary. Consequently, approval of this project would result in a significant change in delivery of medical services by the Department of Corrections. None of the information presented in the budget would lead one to conclude that this was the intent of the project. Moreover, in view of the department's request to upgrade the San Quentin hospital, it is not clear what the administration's plans are.

This is another example of a capital outlay proposal contained in the budget for which adequate descriptive information was not provided.

In previous years, we have suggested that project descriptions be included in all department budgets in a manner similar to those contained in the higher education portion of the Governor's Budget. Despite general concurrence that such descriptions are needed, and assurance from the administration that descriptions would be included in the budget, higher education remains the only area in which they appear. To avoid legislative confusion regarding proposals submitted for funding, we again urge the Department of Finance to include descriptive information in the capital outlay portion of future budgets.

Purpose of Proposed Project. The department currently operates two general acute programs in Northern California. The CMF operates a 40-bed acute-care facility and San Quentin hospital contains 55 acute beds. The department indicates that operating two relatively small correctional hospitals within 50 miles of each other is not economically sound. Furthermore, the San Quentin facility does not meet code requirement and has serious maintenance and operational problems. (Item 5240-301-036(15) proposes \$269,000 for correcting licensing deficiencies at San Quentin.) Consequently, the department proposes that two housing wings at CMF be remodeled to expand the number of acute medical beds to 120. Acute care at the San Quentin hospital would be discontinued. The project includes construction of elevators, remodeling of the pharmacy area, relocation of patient rooms and nurses stations, and various heating, ventilation, and plumbing modifications to meet code requirements.

Support Savings Not Identified. While the department indicates that there would be "significant" savings in consolidating staff and services at CMF, the department has not provided any information in support of this conclusion. While our analysis indicates that a consolidated facility would be less costly to operate, the department should develop information detailing projected staffing requirements of an expanded CMF facility in comparison to the existing CMF and San Quentin operations.

Finally, an engineering evaluation of the proposed modifications has not been completed by the Office of State Architect. Pending receipt of the department's evaluation of anticipated support savings and detailed project scope and cost estimated, we withhold recommendation on Item 5240-301-036(12).

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued**Correctional Industries Warehouse—California
Medical Facility (CMF), Vacaville**

We recommend Item 5240-301-036(13), preliminary plans, working drawings, and construction of an industries warehouse at CMF, Vacaville, be reduced by \$282,000 to eliminate landscaping and overbudgeting of project funds. We further recommend that the funds appropriated by this item be repaid by the Correctional Industries Revolving Fund.

The budget includes \$572,000 for preliminary plans, working drawings, and construction of a new warehouse at the CMF Vacaville. The project would provide construction of a one-story metal warehouse to store raw materials and finished items manufactured by inmates in the correctional industries program. The department indicates that the present industries warehouse space is inadequate for the expanded book binding program at this institution.

The Department of Corrections indicates that the anticipated cost of the new warehouse is substantially less than the amount included in the budget. The current estimate, prepared by the Office of State Architect, indicates that the total project cost for the new warehouse is \$310,000. Consequently, the budget includes excess construction funds of \$262,000. Furthermore, the estimate reveals that the project includes approximately \$14,000 for landscaping. This portion of the project could be accomplished in a less costly manner by using inmate labor. Finally, the proposed budget estimate includes an excessive amount for architectural/engineering services and contingency, budgeted at 20.5 percent of the estimated contract cost. These items should cost no more than 18 percent for new projects. Accordingly, we recommend a reduction of \$6,000 for these items. In total, we recommend that Item 5240-301-036(13) be reduced by \$282,000 to eliminate landscaping and overbudgeted project costs.

Repayment of Funds by Correctional Industries. In our *Analysis of the 1981 Budget Bill*, we recommended that funds proposed for replacement of dairy facilities operated by the correctional industries should be considered a loan to be repaid over a period of time from the Correctional Industries Revolving Fund. This fund derives its revenue through sale of goods produced by correctional industries.

The Legislature included language in the 1981 Budget Act requiring repayment of the dairy improvement funds over a 20-year period at an interest rate equal to the Pooled Money Investment Account. (These dairy projects have not proceeded because of the freeze on capital outlay funds. Consequently, new funds are proposed for the dairies in 1982-83, and the language specifying repayment is included in the budget bill.)

The proposed warehouse project is needed solely to support the correctional industries program. Consequently, the cost of this project should also be repaid from funds derived from correctional industries activities. We therefore recommend that Budget Bill language under Item 5240-301-036 be modified to include provisions that any funds approved for the industries warehouse at CMF be repaid from the Correctional Industries Revolving Fund.

**Emergency Generators—California Men's Colony (CMC),
San Luis Obispo, East Facility**

We withhold recommendation on Item 5240-301-036(14), \$1,258,000 for installation of emergency generators at CMC, east facility, pending evaluation by the department of the impact of cogeneration on this proposed project.

The budget includes \$1,258,000 for preliminary plans, working drawings, and construction to install a new emergency power system at CMC, east facility. The project includes installation of two 1,000 kilowatt diesel generators with associated electrical equipment to power the institution during loss of electrical service. The project also includes a 150 kw generator for the hospital, construction of a concrete block building to house the three generators, installation of 6,000 gallons of diesel fuel storage, and construction of a service road to the generator plant. The department indicates that the existing emergency power system is inadequate because it is capable of energizing only the main perimeter lighting system, the minimum-housing unit, the central tower, and the hospital operating room. Approval of this project would provide adequate electrical generating capacity to energize the entire institution in the event of a power failure.

Our analysis indicates that upgrading of the existing emergency generator system at CMC may not be needed because the department has proposed installation of a cogeneration plant at this site. The Budget Act of 1981 appropriated \$20,000 for preparation of a feasibility study for cogeneration at CMC. While this study has not been completed, the department indicated during legislative hearings on the 1981-82 budget that a cogeneration plant at CMC would be capable of producing 2,000 kilowatts of electricity. Consequently, the cogeneration plant would be capable of providing essentially 100 percent of the institution's emergency electrical requirements. In our judgment, installation of additional generating capacity through the proposed emergency generator project would not be needed, given the availability of power from the cogeneration plant.

In view of the fact that the cogeneration feasibility study has not been completed, we are unable to verify that the planned capacity of the cogeneration plant will be sufficient to function as an emergency power source. The department should prepare an analysis, based on the completed feasibility study (which is to be completed prior to budget hearings), which addresses the capabilities of the cogeneration plant to serve as an emergency power source. Pending this evaluation, we withhold recommendation on the proposed project to install new emergency generators at this facility.

Install Dumbwaiters in Lock-Up Units—San Quentin

We withhold recommendation on Item 5240-301-036(17), because the amount included in the Budget Bill would not provide adequate funds to complete this project. We further recommend that prior to budget hearings the Department of Finance identify the proposed funding source for additional funds needed to complete the project.

The budget includes \$273,000 for preliminary plans, working drawings, and construction to install dumbwaiters in the lock-up units at San Quentin State Prison. The department indicates that the housing units at San Quentin are frequently operated as lock-up units. Under these conditions, inmates do not eat at the central dining facilities. Instead, food is distribut-

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

ed to the various housing units and inmates are served in their cells. The department indicates that under such conditions there is no safe or convenient method by which heavy food carts can be moved up the five-story cellblocks. The proposed project would provide for installation of dumbwaiters so that food carts, as well as heavy loads of property and material, can be moved up and down the cellblock.

Our analysis indicates that the dumbwaiters are needed to service these cellblocks. However, according to information provided by the Department of Corrections, the cost to install the dumbwaiters in six buildings would be \$523,000. Thus, the amount included in the Budget Bill is inadequate to fund the project anticipated by the department. We recommend that prior to budget hearings, the Department of Finance indicate the proposed funding source of the additional funds needed to complete the proposed modifications. Pending receipts of this information, we withhold recommendation on this item.

West Block Security Modifications—San Quentin

We recommend Item 5240-301-036 (18), preliminary plans, working drawings and construction for security modifications to the west block, San Quentin, be deleted because we have not received any information as to the need for this project, for a reduction of \$300,000.

The Budget Bill includes \$300,000 for preliminary plans, working drawings and construction of security modifications to the west block at San Quentin State Prison.

This project was not included in the department's major capital outlay program submitted in April 1981, and no information regarding the proposal has been sent. Consequently, we have no basis on which to judge the need for either the project or the proposed funds. On this basis, we recommend deletion, for a reduction of \$300,000.

Upgrade Primary Electrical System—California Institution for Women (CIW), Frontera

We recommend Item 5240-301-036 (19), preliminary plans and working drawings to upgrade the primary electrical system at CIW, Frontera, be reduced by \$75,000 to eliminate overbudgeting. We further recommend that the project be limited to modifications to meet code requirements and to provide a loop system.

The budget includes \$150,000 for preliminary plans and working drawings to upgrade the primary electrical system at CIW, Frontera. The estimated future cost for construction is \$1,450,000.

This project has three objectives: (1) to provide emergency power by installing an electrical generator plant, (2) to increase the reliability of the existing electrical distribution system by converting it from a radial system to a more reliable loop system, and (3) to replace existing underground transformer vaults with new above-ground installations. The recommended upgrading of the electrical system is in response to a consulting engineer's report on the condition of the electrical system.

Our analysis indicates that some modifications to the electrical distribution system are needed. However, the scope of work proposed is not justified. For example, the consultant's report indicates that the institution is served by two separate circuits from the electric utility company. Automatic switches allow transfer of power requirements from one circuit to

the other in case of outages. The consultant indicates that this system has provided a *high-degree of reliability* at this facility. The department, however, proposes installation of emergency generators because provisions in the National Electrical Code, adopted since the time this institution was constructed, require new emergency power systems to be "widely separated electrically and physically."

Our analysis indicates that replacement of existing transformers may not be needed. The existing transformers were installed at the time this institution was constructed in the early 1950s and the underground vault installations met code requirements then in existence. While codes may have changed, the requirements to retroactively correct the situation has not been determined. Accordingly, the department should indicate if the code requirements which dictate installation of the proposed emergency power system and replacement of underground vaults are retroactive requirements.

Our analysis indicates that conversion of the existing radial system to a loop system would provide a measure of reliability which is needed. Additional electrical modifications, however, should be limited to items currently *required* by code. Accordingly, we recommend that the project title be modified to read "Upgrade Primary Electrical System to Meet Code Requirements and Provide Loop System."

Reduction in Preliminary Plans and Working Drawing Funds. The Department of Corrections has provided information which indicates that the planning funds for this project are overbudgeted. The department now indicates that \$75,000 would be adequate to fund preliminary plans and working drawings for the anticipated project. Consequently, we recommend that Item 5240-301-036(19) be reduced to \$75,000.

C. ENERGY CONSERVATION PROJECTS

The budget includes \$3,739,000 for energy conservation projects that have not been reviewed or approved by the Legislature. Table 4 summarizes the requests by funding source.

Table 4
Department of Corrections
Energy Projects—1982-83
(in thousands)

<i>Fund, Project, Location</i>	<i>Budget Bill Amount^a</i>	<i>Analyst's Proposal</i>	<i>Estimated Future Cost^b</i>
<i>Special Account for Capital Outlay (Item 5240-301-036)</i>			
Cogeneration System—Chino	\$3,086 wc	Pending	—
<i>Energy and Resources Fund, Energy Account (Item 5240-301-189)</i>			
Replace steam and condensate piping—Sole-dad	\$453 pwc	\$30	—
Cogeneration plant—preliminary plans and working drawings—San Luis Obispo	88 pw	Pending	\$1,212
Cogeneration plant—Tracy	88 pw	Pending	1,212
Replace No. 3 boiler—San Quentin	24 pw	—	216
Subtotal (ERF)	\$653	Pending	\$2,640
Total	\$3,739	Pending	\$2,640

^a Phase symbols indicate: p-preliminary plans, w-working drawings, and c-construction

^b Department's estimate

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued**Cogeneration System—California Institution for Men (CIM) Chino**

We withhold recommendation on Item 5240-301-036(8), \$3,086,000 for working drawings and construction of a cogeneration system, pending receipt of cost/benefit information based on completed preliminary plans.

The budget includes \$3,086,000 for working drawings and construction of a cogeneration system at the California Institution for Men (CIM) at Chino. The proposed project includes installation of two 1,100 kilowatt gas-turbine generators equipped with 5,000 pounds-per-hour steam heat recovery equipment. The system would provide generation of electricity for use at this institution or for sale to the utility district, and provide steam presently provided through existing boiler facilities. The 1981 Budget Act included \$200,000 for preparation of preliminary plans and working drawings for this project. The preliminary plans currently are underway. The working drawing funds, however, are proposed for reversion in the current year. Consequently, the 1982-83 request includes \$121,000 to restore working drawing funds reverted in the current year and \$2,965,000 for construction of the proposed facility.

In our analysis of the Department of Developmental Services (Item 4300-301), we indicate that appropriation of working drawings and construction funds for cogeneration systems should be based on information provided after completion of preliminary plans. Only after this phase of the project is completed will adequate information be available to establish the anticipated cost of fuel needed to operate the facility and the anticipated electrical generation and steam output available from the facility. According to the department, the preliminary plans should be available prior to legislative hearings on the budget. Accordingly, we withhold recommendation, pending receipt of the needed additional information.

Replace Steam and Condensate Piping—Correctional Training Facility (CTF), Soledad

We recommend Item 5240-301-189(2), preliminary plans, working drawings, and construction to replace steam and condensate piping at the Correctional Training Facility, Soledad, be reduced by \$423,000 because the construction request is premature.

The budget proposes \$453,000 for preliminary plans, working drawings and construction to replace steam and condensate piping at the Correctional Training Facility (CTF), Soledad. The proposed project is based on an energy consultant's report which concluded that the existing steam distribution system is not adequately insulated. Replacement of the existing system would reduce energy requirements by 311,000 therms per year. Based on projected fuel price escalations, the project has a net discounted payback period of two years.

The proposed replacement of steam and condensate piping at CTF is not based on an engineering evaluation of the work to be accomplished. Accordingly, it is not known if the proposed construction funds will be adequate to fund the project recommended in the feasibility study. For this reason, we recommend that the requested funds of \$453,000 be reduced by \$423,000, by deleting the construction portion. The remaining funds of \$30,000 should be adequate to fund the necessary engineering and design of the proposed project in support of a construction request for 1983-84.

**Cogeneration Plants—California Men's Colony (CMC)
San Luis Obispo, and Deuel Vocational Institution (DVI), Tracy**

We withhold recommendation on Item 5240-301-189 (4), \$88,000 for preliminary plans and working drawings for a cogeneration plant at the California Men's Colony, and Item 5240-301-189 (5), \$88,000 for preliminary plans and working drawings for a cogeneration plant at Deuel Vocational Institution, pending receipt of feasibility studies for these proposed projects. We further recommend that if the Legislature appropriates funds to continue planning of these projects, the funds be limited to preparation of preliminary plans.

The budget includes funds for preparation of preliminary plans and working drawings for installation of cogeneration plants at the California Men's Colony (CMC), San Luis Obispo, and Deuel Vocational Institution (DVI), Tracy. The amount requested for each project is \$88,000, and the estimated future cost of each is \$1,212,000.

The Budget Act of 1981 included a total of \$40,000 for preparation of feasibility studies related to installing cogeneration facilities at CMC and DVI. These studies have not been completed. Consequently, we have no additional information on which to evaluate the feasibility and economic viability of installing cogeneration systems. According to the department, the feasibility studies should be available prior to legislative hearings on the budget. Consequently, we withhold recommendation on the funds proposed in Items 5240-301-189 (4) and (5), pending receipt of these studies. As we have previously recommended, funding for cogeneration plants that is based solely on feasibility studies should be limited to preliminary planning. Accordingly, if cogeneration is determined to be feasible at these two institutions, we recommend that the Legislature approve preliminary planning funds only for these projects. The completed preliminary plans would provide adequate information to support a request for working drawings and construction of proposed projects in 1983-84.

Replace No. 3 Boiler—San Quentin State Prison

We recommend Item 5240-301-189 (6), \$24,000 for preliminary plans and working drawings to replace the No. 3 boiler at San Quentin, be deleted, because the department has not provided any information on the anticipated savings due to this project.

The budget includes \$24,000 for preliminary plans and working drawings to replace the No. 3 boiler at San Quentin State Prison. The boiler plant at San Quentin has four boilers and the No. 3 boiler has been inoperable since 1977. The project consists of installing a new package boiler with a fuel-to-steam efficiency of 80 to 90 percent. The department indicates that due to the age of the existing boilers, the cost of repairs/maintenance has been excessive and installation of new boilers would result in cost savings due to increased efficiency and reduced maintenance costs. The department's proposal anticipates replacement of all four boilers over the next four fiscal years.

While installation of a new boiler at the San Quentin Prison facility could result in more efficient operations, the department has not provided any information concerning the projected energy savings resulting from this project. Consequently, the cost/benefit of this proposal is unknown. Finally, the department's proposal is not based on an engineering evaluation of the work and anticipated costs, because the Department of Finance

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

did not authorize preparation of a schematic budget package for this proposal.

Given the lack of adequate information to evaluate this proposal, we recommend deletion of the proposed preliminary plans and working drawing funds contained in Item 5240-301-189(6), for a reduction of \$24,000.

D. MINOR CAPITAL OUTLAY PROPOSALS

The budget includes \$1,754,000 for minor capital outlay (projects costing \$150,000 or less) for the Department of Corrections. Table 5 summarizes the proposed projects by type and proposed funding source.

Table 5
Department of Corrections
Minor Capital Outlay—1982-83
(in thousands)

<i>Project Type, Item (Fund)</i>	<i>Budget Bill Amount</i>
<i>General Improvements</i>	
5240-301-036 (SAFCO)	\$1,000
<i>Energy Conservation Projects</i>	
5240-301-036 (SAFCO)	239
5240-301-189 (ERF)	515
Subtotal.....	\$754
Total	\$1,754

SAFCO=General Fund, Special Account for Capital Outlay

ERF=Energy and Resources Fund, Energy Account

Minor Capital Outlay—General Improvement Projects

We recommend Item 5240-301-036(20) be reduced by \$242,000 by deleting minor capital outlay improvements which are not justified.

The budget includes \$1,000,000 for 18 minor capital outlay projects to provide general improvements at existing correctional institutions. Table 6 summarizes the department's request.

Table 6
Department of Corrections
Minor Capital Outlay
General Improvement Projects
(in thousands)

<i>Project Type</i>	<i>Number of Projects</i>	<i>Total Amount</i>	<i>Analyst's Proposal</i>
A. Fire/Life Safety Code	7	\$486	\$378
B. Security Improvements	2	174	174
C. Utility Improvements.....	3	77	27
D. Program Improvements	6	263	179
Total	18	\$1,000	\$758

Fire and Life Safety Projects. The department proposes seven projects totaling \$486,000 which would provide modifications to correct current code deficiencies at various institutions. These modifications include con-

struction of existing corridors and fire protection systems. Two projects involve modifications to the hospital facility at Vacaville. The department has proposed a major capital outlay project to modify the hospital to increase bed capacity and meet the licensing requirement, including fire and life safety requirements. Work proposed under the minor capital outlay projects should be undertaken as part of the major project renovations. Accordingly, *we recommend that \$108,000 for the two projects at CMF be deleted.*

Security Improvements. The minor capital outlay program includes \$78,000 to improve security lighting of the main yard at the California Institution for Women at Frontera. A \$96,000 project at the California Correctional Center, Susanville would provide for construction of an exercise compound for the isolation-segregation unit. Construction of concrete-block walls and outside restroom facilities would allow inmates in this secure area to exercise in the outdoors under adequate security supervision. The two projects are reasonable and we recommend approval.

Utility Improvements. The budget includes \$27,000 to make improvements to the utility tunnels at the California Training Facility (CTF) Soledad. The project would provide strengthening of the tunnel walls to provide adequate structural support of the overhead areas. Two additional projects at CTF totaling \$50,000 would provide for sealing of three water wells and connection of one of these wells to the existing domestic water system. *We recommend that these two projects be deleted* because the department has not provided any information to indicate that the existing water system is inadequate to service the institution.

Program Improvements. Six projects totaling \$263,000 would provide general program improvements at various institutions. One project for \$84,000 would construct a drop-ceiling in the central kitchen and bakery facility at Folsom State Prison. *We recommend this project be deleted.* The aim of the project is to conceal pipes and overhead utilities which accumulate dust and grease over a period of time. Our review of the project indicates that this is a maintenance problem in that there is not an adequate cleaning program in this area. Periodic cleaning of the ceiling and overhead fixtures would correct the deficiency.

Minor Capital Outlay—Energy Conservation Projects

We recommend approval of \$239,000 included in Item 5240-301-036 (20) and \$515,000 included in Item 5240-301-189 (7), for minor capital outlay projects to implement energy conservation measures.

The budget includes \$754,000 for 11 energy conservation minor capital outlay projects at existing institutions. Table 7 summarizes the projects and the proposed funding source for these projects.

The projects proposed for funding are the result of recommendations contained in a consulting engineer's evaluation of energy conservation opportunities at these institutions. All of the projects have discounted payback periods of under five years. The proposed projects and the associated costs are reasonable and we recommend approval.

Projects by Descriptive Category

In the A-pages of our *Analysis*, we discuss the capital outlay funding problems resulting from the distribution of tidelands oil revenue in 1982-83. To aid the Legislature in resolving these problems, we have divided

DEPARTMENT OF CORRECTIONS—CAPITAL OUTLAY—Continued

Table 7
Department of Corrections
Minor Capital Outlay
Energy Conservation Projects
(in thousands)

<i>Fund</i>	<i>Project Title</i>	<i>Budget Bill</i>
<i>Location</i>		<i>Amount</i>
<i>Item 5240-301-036(20) (SAFCO)</i>		
Chino	Install new boiler	\$109
Chino	Heat reclaim for laundry waste water	130
Subtotal		\$239
<i>Item 5240-301-189(7) (ERF)</i>		
Chino	Replace exterior incandescents with mercury vapor 50-watt fixtures	\$24
Chino	Install economizers on air handlers	13
Chino	Replace boiler burners	131
Chino	Install dryer heat recovery	56
Chino	Replace exterior incandescents with mercury vapor 50-watt fixtures	118
Soledad	Heat reclaim for laundry waste water	18
Soledad	Intall dryer heat reclaim	54
Susanville	Install night temperature setbacks in unoccupied areas	68
Susanville	Exhaust hood heat reclaim system in kitchen	33
Subtotal		\$515
Total		\$754

Table 8 shows how we categorize the projects funded by this item that our analysis indicates are warranted.

Table 8
Department of Corrections
Projects by Descriptive Category
(in thousands)

<i>Category/Item/Project</i>	<i>Analyst's</i>	<i>Estimated</i>
	<i>Proposal^a</i>	<i>Future</i>
		<i>Cost^b</i>
1. 5240-301-036(4) Perimeter lighting—CTF, Soledad	\$432 c	—
5240-301-036(11) Locking devices—CIM Chino	26 pw	\$2,055
5240-301-723(3) Medium-security prison—San Diego	2,000 p	133,000
Subtotal	\$2,458	\$135,055
2. 5240-301-036(19) Primary electrical system—CIW Frontera	\$75 pw	—
3. None		
4. None		
5. 5240-301-036(1) Visiting rooms—CTF, Soledad	524 wc	—
5240-301-036(5) Dairy facility—DVI, Tracy	33 w	\$831
5240-301-036(9) Dairy facility—CIM, Chino	977 pwc	—
5240-301-036(13) Industries warehouse—CMF, Vacaville	290 pwc	—
5240-301-036(16) Family visiting—San Quentin	274 wc	—
Subtotal	\$2,098	\$831
6. 5240-301-189(1) Cogeneration—CTF, Soledad	\$121 w	\$2,965
5240-301-189(2) Piping—CTF, Soledad	30 pw	423
5240-301-189(3) Geothermal project—CCC, Susanville	1,464 pwc	—
Subtotal	\$1,615	\$3,388
7. None		
Total	\$6,246	\$139,274

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

^b Department estimate.

those projects which our analysis indicates are justified into the following categories:

1. Critical fire/life safety and security projects—includes projects to correct life threatening conditions.
2. Projects needed to meet code requirements—includes projects that do *not* involve life threatening conditions.
3. Essential utility, site development and equipment—includes projects needed to make new buildings usable or continue usability of existing buildings.
4. Meet existing instructional capacity needs in higher education—includes projects that are critical, and for which no alternatives are available other than reducing enrollments.
5. Improve program efficiency or cost effectiveness—includes new office buildings, alterations, etc.
6. Energy conservation projects—includes projects with a payback period of less than five years.
7. Energy conservation projects—includes projects with a payback period greater than five years.

DEPARTMENT OF CORRECTIONS—REAPPROPRIATION

Item 5240-490 from the General Fund

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

- | | |
|---|------|
| 1. Reappropriation of Funds Appropriated for Planning of New Prisons, Overcrowding Measures and Various Construction Projects. We recommend the Legislature deny reappropriation because the budget indicates that these funds will be expended during the current fiscal year. | 1231 |
|---|------|

ANALYSIS AND RECOMMENDATIONS

Reappropriation of Funds Appropriated in Chapter 1135, Statutes of 1979

We recommend that the request for reappropriation of the unencumbered balance available in Ch 1135/79 be denied because the budget indicates that these funds will be fully expended in the current fiscal year.

Chapter 1135, Statutes of 1979, appropriated \$11,474,300 to the Department of Corrections. These funds were appropriated for implementation of the department's plan for construction of new prison facilities and for various construction projects needed at existing institutions, as follows:

1. Acquisition of sites for new prison facilities	\$4,250,000
2. Design development for new prison facilities	2,500,000
3. Construction of various improvements at existing institutions to accommodate overcrowding	2,250,000
4. Construction to repair damage due to an inmate riot at the California Correctional Center at Susanville	1,474,300
5. Construction of sidewalks and utility improvements adjacent to the California Institution for Men, Chino	1,000,000
Total	<u>\$11,474,300</u>

DEPARTMENT OF CORRECTIONS—REAPPROPRIATION—Continued

These funds are available for expenditure until June 30, 1982. The proposed reappropriation would extend availability of the unencumbered balances until June 30, 1984.

The budget indicates (page YAC 33) that \$7,403,000 of the appropriation made by Ch 1135/79 is available for expenditure in the current fiscal year. The budget also indicates that this amount will be fully expended during the current year for new facilities studies, overcrowding measures, and site acquisition activities. Consequently, if the prison planning program is to proceed as scheduled by the Department of Corrections, there is no need to reappropriate the funds provided through this legislation. Accordingly, we recommend that the Legislature deny the proposed reappropriation proposed in Item 5240-490.

DEPARTMENT OF CORRECTIONS—REVERSION

Item 5240-495 to the General
Fund; General Fund, Special
Account for Capital Outlay
and Energy and Resources
Fund

ANALYSIS AND RECOMMENDATIONS**Reversions to the General Fund—Support**

We recommend approval.

Chapter 950, Statutes of 1980, appropriated \$37,500 to pay the salaries and related expenses of expanding the Narcotic Addict Evaluation Authority from four to seven members. Funds to cover these expenses are now included in the budget.

Reversions to the General Fund—Capital Outlay

We recommend approval.

The budget proposes reversion of the unencumbered balance of the appropriation made by Ch 739/78 (the Budget Bill erroneously indicates Ch 740/78). The measure provided \$174,250 to remodel the sewage plant at the California Correctional Center, Susanville. The appropriation replaced funds provided by a prior appropriation which expired on June 30 1978.

The department indicates that the project funded by this act has been completed, but \$50,000 remains available for expenditure. Consequently, reversion of this amount would increase the amount available for other General Fund needs, and we recommend approval.

**Reversions to the Special Account for Capital Outlay
and the Energy and Resources Fund**

We recommend approval.

Our discussion of these proposed reversions is included in our analysis of Item 5240-301.

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

Item 5430 from the General and various special funds

Budget p. YAC 34

Requested 1982-83	\$110,590,000
Estimated 1981-82.....	46,632,000
Actual 1980-81	3,201,000
Requested increase (excluding amount for salary increases) \$63,958,000 (+137.2 percent)	
Total recommended reduction	54,000
Recommendation Pending	\$4,244,000

1982-83 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
5430-001-001—Support		General	\$346,000
5430-101-170—Local Assistance		Corrections Training Fund	4,244,000
5430-101-933—Local Assistance		County Jail Capital Expenditure Fund	106,000,000 ^a
	Total		<u>\$110,590,000</u>

^a \$100,000,000 of this amount is contingent on (1) enactment of SB 910 (a jail bond authorization measure), (2) approval of SB 910 by the voters, and (3) sale of the bonds.

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Corrections Training Fund. Recommend Department of Finance report on probable fund deficiency. Withhold recommendation on expenditures proposed from the fund, pending receipt of the department's report. 1235
2. *Jail Construction Program Management Costs. Reduce Item 5430-001-001 by \$54,000.* Recommend County Jail Capital Expenditure Fund, rather than the General Fund, pay for management of the county jail construction program. 1236

GENERAL PROGRAM STATEMENT

The Board of Corrections has three basic programs: (1) monitoring compliance with county jail standards and providing technical assistance to local governments, (2) awarding grants from the County Jail Capital Expenditure Fund for the construction and remodeling of county jails, and (3) establishing minimum standards for the recruitment, selection, and training of local corrections and probation officers and assisting local governments through grants from the Corrections Training Fund. Revenues to the Corrections Training Fund are derived from penalty assessments on traffic and criminal fines.

The board has a staff of 18.9 personnel-years in the current year.

BOARD OF CORRECTIONS—Continued**ANALYSIS AND RECOMMENDATIONS**

The budget proposes expenditures of \$110,590,000 from various state funds for support of the Board of Corrections in 1982-83. This is an increase of \$63,958,000, or 137 percent, over estimated current-year expenditures. Because reimbursements are expected to decline by \$132,000, board expenditures from all funding sources are proposed to increase by \$63,826,000, or 136 percent. This amount will increase by the amount of any salary or staff benefit increase approved for the budget year.

For 1982-83, the board proposes to continue its current-year staff level of 18.9 personnel-years.

Table 1 indicates expenditures, by program and funding source, for the current and budget years. The major program changes for the budget year involve the county jail construction program and the standards and training program.

Table 1
Board of Corrections
Budget Summary
(dollars in thousands)

	<i>Estimated</i> 1981-82	<i>Proposed</i> 1982-83	<i>Change</i>	
			<i>Amount</i>	<i>Percent</i>
<i>Funding</i>				
General Fund.....	\$40,332	\$346	-\$39,986	-99%
Corrections Training Fund.....	6,300	4,244	-2,056	-33
County Jail Capital Expenditure Fund.....	—	106,000	106,000	—
Reimbursements	132	—	-132	-100
Totals	\$46,764	\$110,590	\$63,826	136%
<i>Programs</i>				
1. Compliance and Technical Assistance	\$332	\$346	\$14	4%
2. Jail Construction.....	40,132	106,000	65,868	164
Administration	(363) ^a	(331)	(-32)	-9
Local Assistance	(39,769)	(105,669)	(65,900)	166
3. Standards and Training Program	6,300	4,244	-2,056	-33
Administration	(1,199)	(917)	(-282)	-24
Local Assistance	(5,101)	(3,327)	(-1,774)	-35
Totals	\$46,764	\$110,590	\$63,826	136%

^a Includes a \$132,000 grant from the Office of Criminal Justice Planning, which funded some activities that could be considered a function of either programs (1) or (2).

County Jail Construction

The budget proposes an expenditure of \$106 million for county jail construction in 1982-83. This amount consists of (1) \$6 million in interest that will be earned on the \$40 million appropriated for the program in the current year, and (2) \$100 million in bond funds that are contingent on (a) the enactment of SB 910, (b) approval of SB 910 by the voters, and (c) sale of the bonds. November 1982 is the earliest that SB 910 or any other measure authorizing the issuance of the bonds could appear on a ballot. The board has reported to the Legislature that approximately \$900 million is needed by the counties to upgrade existing jails and to provide additional jail capacity. The bond funds would allow the board to begin meeting

this need.

Standards and Training Program

The board requests \$4,244,000 for the standards and training program in the budget year. This is a decrease of \$2,056,000, or 33 percent, from estimated current-year expenditures. The proposed reduction is attributable to the following two factors:

1. Under current law, the Corrections Training Fund will receive revenues only for the first six months of 1982-83. When the fund was established by Ch 1148/79, it was scheduled to receive revenues from the Assessment Fund from July 1, 1980, to July 1, 1982. Chapter 1153, Statutes of 1981, extended the July 1, 1982, sunset date by six months, to January 1, 1983. As a result, the fund will receive revenues only during the first half of 1982-83.

2. The Governor's Budget proposes to transfer \$1.6 million from the Corrections Training Fund to the Department of Corrections in 1982-83, thereby reducing the funds available to the Board of Corrections.

Corrections Training Fund Deficiency

We recommend that prior to budget hearings the Department of Finance report to the fiscal committees on the budgetary impact of the probable deficiency in the Corrections Training Fund. We withhold recommendation on expenditures from the fund, pending receipt of this report.

The Governor's Budget proposes total expenditures of \$5,844,000 from the Corrections Training Fund in the budget year (see Table 2). These costs would be supported by (a) revenues of \$4,117,000, which would accrue to the fund during the first six months of 1982-83, and (b) carry-over funds of \$1,727,000.

Table 2
Possible 1982-83 Corrections Training Fund Deficiency
(dollars in thousands)

	<i>Governor's Budget</i>	<i>With Revised Revenue Estimate</i>
<i>Resources</i>	\$5,844	\$5,109
1981-82 surplus.....	(1,727)	(1,727)
Budget-year revenues.....	(4,117)	(3,382)
<i>Expenditures</i>	-5,844	-5,844
Board of Corrections.....	(-4,244)	(-4,244)
Department of Corrections.....	(-1,600)	(-1,600)
<i>Fund Balance June 30, 1983</i>	-	-735

Our analysis of the revenue estimate, however, indicates that it may be overstated. According to the budget, the Assessment Fund will receive revenues of \$66,713,000 during 1982-83. Under existing law, the Corrections Training Fund should receive 10.14 percent of this amount for one-half of the year. This equals about \$3.4 million—\$0.7 million below the \$4.1 million in Corrections Training Fund revenues shown in the budget. If the projected amount of Assessment Fund revenues, as shown in the Governor's Budget, is accurate, we estimate that the Corrections Training Fund would be overencumbered by \$735,000.

In light of this possible deficiency, we recommend that the Department

BOARD OF CORRECTIONS—Continued

of Finance report prior to budget hearings on (1) how it reconciles the Corrections Training Fund revenue estimate with its estimate of total Assessment Fund revenues and (2) how it expects to cover a deficiency in this fund, should one arise. We withhold recommendation on all expenditures from the Corrections Training Fund, pending receipt of this report.

Allocate Management Costs Between General and Special Funds

We recommend that the board pro-rate management costs between the General Fund and the County Jail Capital Expenditure Fund, for a General Fund savings of \$54,000 (Item 5430-001-001).

The board has three staff persons—the executive officer, her secretary, and the assistant executive officer of the Jail Services Division—who divide their time between programs funded by the General Fund and programs funded by special funds. The executive officer and her secretary divide their time between the board’s compliance and technical assistance program (General Fund), jail construction program (County Jail Capital Expenditure Fund), and standards and training program (Corrections Training Fund). The assistant executive officer divides his time between the compliance and technical assistance program and the jail construction program. Their salaries and benefits, however, are paid entirely from the General Fund.

As a result, the General Fund is subsidizing the special fund activities at a cost of \$82,000 (\$54,000 to the County Jail Capital Expenditure Fund, and \$28,000 to the Corrections Training Fund). We recommend that the board charge its management costs for the jail construction program to the appropriate funding source—County Jail Capital Expenditure Fund—for a General Fund savings of \$54,000. This action would result in a corresponding increase in the County Jail Capital Expenditure Fund allocation to administration. Because we are withholding recommendation on all proposed expenditures from the Corrections Training Fund, we offer no recommendation concerning its share of management costs at this time.

Youth and Adult Correctional Agency

BOARD OF PRISON TERMS

Item 5440 from the General Fund

Budget p. YAC 38

Requested 1982-83	\$5,948,000
Estimated 1981-82.....	5,806,000
Actual 1980-81	5,385,000
Requested increase (excluding amount for salary increases) \$142,000 (+2.4 percent)	
Total recommended reduction	\$130,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. *Overbudgeted Operating Expenses. Reduce Item 5440-001-001 by \$73,000.* Recommend deletion of overbudgeted operating expenses. 1237
2. *Hearing Representative. Reduce Item 5440-001-001 by \$57,000.* Recommend deletion of one hearing representative that is not justified by workload. 1238

GENERAL PROGRAM STATEMENT

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 "credits" 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.

The board has 100.6 authorized positions in the current year.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$5,948,000 from the General Fund for support of the Board of Prison Terms in 1982-83. This is an increase of \$142,000, or 2.4 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 budget proposes continuation of the 100.6 personnel-years that are currently authorized.

Overbudgeted Operating Expenses

We recommend deletion of \$73,000 from Item 5440-001-001 proposed for various operating expenses, for a corresponding savings to the General Fund.

The budget includes \$1,918,000 for the board's operating expenses in 1982-83. Our analysis of the proposed expenditures indicates three instances in which funds have been overbudgeted. The overbudgeted items are summarized in Table 1, and discussed below.

**Table 1
Board of Prison Terms
Operating Expense Items Overbudgeted
1982-83**

<i>Expense Item</i>	<i>Amount Requested</i>	<i>Analyst's Proposal</i>	<i>Difference</i>
Attorney Fees.....	\$470,000	\$415,000	\$55,000
Automobiles (General Services)	145,000	134,000	11,000
Computer Charges	155,000	148,000	7,000
Total			\$73,000

BOARD OF PRISON TERMS—Continued

Attorney Fees. The budget proposes an expenditure of \$470,000 to pay attorneys who represent inmates and parolees appearing before the board. The board, however, has provided detailed justification for only \$448,000 of that amount. Even this amount assumes a 20 percent increase in the fees paid to by attorneys between 1981-82 and 1982-83. This exceeds the 7 percent increase generally allowed for operating expenses by the Department of Finance and the 11 percent increase in the Attorney General's hourly charges. Assuming that fees increase by 11 percent, expenditures for attorney fees of \$415,000 are justified in the budget year. Therefore, we recommend deletion of the difference—\$55,000.

Automobiles. The board's budget includes \$14,000 for the purchase of two automobiles to replace two which are currently leased from the Department of General Services at an annual cost of \$11,000. The lease funds, however, were not deleted from the board's operating budget. Therefore, we recommend a deletion of \$11,000.

Computer Charges. The board's budget includes \$155,000 for payments to the Stephen P. Teale Consolidated Data Center. This amount includes \$7,000 to cover expected rate increases in data processing charges. The Teale Data Center, however, anticipates no general rate increase for 1982-83. Therefore, the \$7,000 requested for rate increases is unneeded, and we recommend that the funds be deleted.

Hearing Representative Not Supported by Workload Data

We recommend a reduction of one hearing representative position because it is not justified on the basis of workload, for a General Fund savings of \$57,000 (Item 5440-001-001).

Board of Prison Terms' hearings are conducted by nine board members who are appointed by the Governor, and by civil service hearing representatives. The board's budget proposes funding for 27.8 hearing representative positions.

The number of hearing representatives required by the board is calculated based on workload projections which take into account required hours of hearing representative time and the number of hours available per year. Required hours of hearing representative time is determined by estimating the number of various hearings and reviews that will occur and the amount of time each will take. Available hearing representative hours per year are determined by (1) taking into account vacations, holidays, sick leave, training and executive meetings, and travel time to determine available days and (2) estimating that each day of hearings will last six hours. Our analysis indicates that a six-hour day may be appropriate for hearings involving prison inmates and parolees being held in county jails, given the delays and problems inherent in moving inmates and prisoners. Some of the board's hearings, however, are conducted at headquarters or in the field, and are not attended by inmates or parolees. In those situations, budgeting on the basis of an eight-hour day would be appropriate. Recalculating the board's workload assuming an eight-hour day for those hearings that do not require the presence of an inmate or parolee indicates a reduction of 1.2 positions could be justified on the basis of workload. Because the board advises that it is difficult to hire less than a full position,

however, we recommend deletion of one hearing representative position, for a General Fund savings of \$57,000 (Item 5440-001-001).

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

Item 5450 from the General
Fund

Budget p. YAC 40

Requested 1982-83	\$2,696,000
Estimated 1981-82.....	2,563,000
Actual 1980-81	2,410,000
Requested increase (excluding amount for salary increases) \$133,000 (+ 5.2 percent)	
Total recommended reduction	\$61,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Board Representative. Reduce by \$61,000.* Recommend deletion of additional hearing representative position because the board cannot justify it on a workload basis. 1240

GENERAL PROGRAM STATEMENT

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

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

The board has seven members who are appointed by the Governor and confirmed by the Senate. It has 46.5 authorized positions in the current year.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$2,696,000 from the General Fund for support of the Youthful Offender Parole Board in 1982-83. This is an increase of \$133,000, or 5.2 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 budget proposes support for a staff of 41.5 positions, in addition to the board's seven members. Personal service costs are budgeted at \$2,066,000, an increase of \$78,000 (3.9 percent). Operating expenses and equipment costs are projected at \$630,000, an increase of \$55,000 (9.6 percent).

Five Percent Reduction

In lieu of the 5 percent reduction imposed on many General Fund agencies by the administration, the board's budget for 1982-83 was reduced by \$18,000, or less than 1 percent. The board proposes to implement

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ANNALS

YOUTHFUL OFFENDER PAROLE BOARD—Continued

this reduction by reducing operating expenses. Our analysis indicates that this reduction should not have any program impact.

Workload Standards Should be Used to Justify Hearing Representative

We recommend that the board hearing representative position added administratively in the current year be deleted because the board has not provided adequate workload information to justify the increase, for a General Fund savings of \$61,000.

During the current year, the board established administratively a hearing representative position to assist members of the board in conducting hearings involving persons committed to the Youth Authority. This increased the number of hearing representatives to 11. The budget proposes to establish this position on a permanent basis, at a cost of \$61,000.

The board's justification for the new position is two-fold. First, the board cites a reduction in time available for hearings. Chapter 860, Statutes of 1979, which separated the board organizationally from the Department of the Youth Authority, effective January 1, 1980, reduced the number of board members from eight to seven. Prior to enactment of that legislation, the director of the department was chairperson of the board and devoted 15 percent to 20 percent of her time to board duties. Following the separation of the board, one of the existing board members was appointed chairperson, which in turn reduced the amount of time that he could spend conducting hearings. The board indicates that the chairperson can spend only 50 percent of his time on hearings. The balance of his time will be spent handling appeals, employee appointments, correspondence, budget reviews, agency meetings, and legislation.

Our analysis indicates that sufficient administrative support staff has been added to the board in the last two years to allow the chairperson to delegate many of these administrative duties. At the time of the separation, the board was authorized an administrative officer (C.E.A. II) and two additional positions to support the chairperson in administrative duties. In 1980-81, an executive secretary position was approved, and in 1981-82, a staff counsel was added. During last year's budget hearings, the chairperson advised the fiscal subcommittees that the staff counsel position could spend up to 50 percent of his/her time hearing cases.

Second, the board seeks to justify the need for an additional position based on rising workload. Since January 1980, the number of cases under the board's jurisdiction has increased by approximately 1,000 cases.

Our analysis indicates that the board has not adequately documented the impact of the additional cases on overall workload. Most significantly, the board does not have a system of workload standards which can be used to convert changes in the composition of the caseload to staffing needs. The Board of Prison Terms, which is the paroling authority for certain inmates committed to state prison, has a detailed workload system which uses (a) the number of each type of hearings expected to be held, (b) the anticipated duration of such hearings, and (c) the number of board members and hearing representatives required to conduct each type of hearing in order to calculate the number of hearing representatives which can be supported on a workload basis. Without a workload standards system, we cannot evaluate the impact of an increase in cases on staffing needs. We note, however, that according to its budget justification, the board has been able to make some workload adjustments in response to the caseload

increase by amending its regulations.

Lacking a detailed workload system similar to that used by the Board of Prison Terms, we have no basis for establishing the need for an additional position. Therefore, we recommend that the board hearing representative position added administratively in the current year be deleted, for a General Fund savings of \$61,000.

**Youth and Adult Correctional Agency
DEPARTMENT OF THE YOUTH AUTHORITY**

Item 5460 from the General Fund

Budget p. YAC 43

Requested 1982-83	\$247,737,000
Estimated 1981-82.....	246,727,000
Actual 1980-81	221,521,000
Requested increase (excluding amount for salary increases) \$1,010,000 (+ 0.4 percent)	
Total recommended reduction	\$211,000

1982-83 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount
5460-001-001	Departmental Support	General	\$179,433,000
5460-101-001	Local Assistance	General	68,304,000
Total			<u>\$247,737,000</u>

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

- | | |
|---|----------------------|
| | <i>Analysis page</i> |
| 1. Materials Management Program. Recommend that prior to budget hearings Department of General Services and Department of the Youth Authority jointly report to the fiscal committees on potential savings from implementing SLAMM study. | 1246 |
| 2. <i>Training Academy. Reduce Item 5460-001-001 by \$170,000.</i> Recommend that the salary level for new employees at the training academy be reduced to the level that will be paid by the Department of Corrections. | 1247 |
| 3. <i>Equipment. Reduce Item 5460-001-001 by \$41,000.</i> Recommend that funds for additional equipment be deleted because of overbudgeting. | 1248 |

GENERAL PROGRAM STATEMENT

The responsibility of the Department of the Youth Authority, as stated in the Welfare and Institutions Code, is "... to protect society from the consequences of criminal activity and to such purpose training and treatment shall be substituted for retributive punishment and shall be directed toward the correction and rehabilitation of young persons who have committed public offenses." The department endeavors to carry out this mandate through five programs: (1) Prevention and Community Corrections, (2) Institutions and Camps, (3) Parole Services, (4) Planning, Research, Evaluation and Development, and (5) Administration.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

The department has 4,583 authorized personnel-years in 1981–82.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$247,737,000 from the General Fund for support of the Department of the Youth Authority in 1982–83. This is \$1,010,000, or 0.4 percent, more than estimated General Fund expenditures in the current year. Comparisons between fiscal years are misleading, however, because the 1981–82 totals include one-time costs of \$9 million for local assistance programs. After adjusting for these costs, the department's General Fund request for 1982–83 is about \$10.0 million, or 4.2 percent, higher than current-year expenditures. This amount will increase by the amount of any salary or staff benefit increase approved for the budget year.

According to the budget, the department will house a population of 5,982 wards at the end of the budget year, which is 65 (1.1 percent) above the current-year estimate. Population projections are shown in Table 1, and are discussed later in this analysis.

Table 1
Population of Youth Authority Institutions, End of Fiscal Year

	<i>Actual</i> 1980-81	<i>Estimated</i> 1981-82	<i>Projected</i> 1982-83
Reception centers (male and female wards)	644	644	650
Facilities for male wards	4,484	4,484	4,534
Facilities for female wards	212	212	212
Overcrowding in existing facilities	427	577	586
Totals	5,767	5,917	5,982
Change from prior year	+812	+150	+65

Parole caseload on June 30, 1983, is estimated at 6,771, or 15 parolees more than the number anticipated at the end of the current year.

Table 2 summarizes the budget request, showing sources of funding by category, expenditure levels by program, and proposed dollar and position changes. These changes and their fiscal consequences are discussed later in this analysis.

Table 2
Department of the Youth Authority
Budget Summary
(dollars in thousands)

	<i>Estimated</i> 1981-82	<i>Proposed</i> 1982-83	<i>Change</i>	
			<i>Amount</i>	<i>Percent</i>
Funding				
General Fund	\$246,727	\$247,737	\$1,010	0.4%
Reimbursements	11,854	9,624	-2,230	-18.8
Federal funds	491	360	-131	-26.7
Totals	\$259,072	\$257,721	-\$1,351	-0.5%
Programs				
Prevention and community corrections	\$77,231	\$71,334	-\$5,897	-7.6%
Personnel-years	64.4	63.7	-0.7	-1.1
Institutions and camps	155,191	158,973	3,782	2.4
Personnel-years	3,811.9	3,820.8	8.9	0.2
Parole Services	23,973	25,174	1,201	5.0

Personnel-years	431.1	430.1	-1.0	-0.2
Planning, research, evaluation, and development	2,677	2,240	-437	-16.3
Personnel-years	60.7	56.6	-4.1	-6.8
Administration	(9,350)	(10,495)	(1,145)	12.2
Personnel-years	214.9	214.9	-	-
Totals	\$259,072	\$257,721	-\$1,351	-0.5%
Personnel-years	4,583.0	4,586.1	3.1	0.1%

Current-Year Local Assistance Costs Include 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. These changes are discussed below.

Table 3
Local Assistance Programs
Department of the Youth Authority

	Estimated 1981-82	Proposed 1982-83	Change	
			Amount	Percent
Chapter 690, Statutes of 1979 ^a	\$9,000	—	-\$9,000	-100.0%
Delinquency prevention	1,533	\$1,500	-33	-2.2
County justice system subvention	63,370	66,540	3,170	5.0
Transportation of wards	47	50	3	6.4
Detention of parolees	214	214	—	—
Totals	\$74,164	\$68,304	-\$5,860	-7.9%

^a One-time costs in the current year.

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, Ch 1241/77, 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.

Claims submitted by 40 counties for 1976-77 and 1977-78 exceeded \$26 million. Consequently, the Legislature appropriated an additional \$9 million in Ch 690/79, to provide a total of \$27 million to satisfy county claims. Last year, the budget indicated that a total of \$18 million of these claims were paid to local governments in 1979-80. The budget for 1982-83 shows that no claims were paid in 1980-81, and that the remaining \$9 million will be disbursed in the current year. However, recent discussions with the State Controller's office indicate that less than \$2 million of the \$9 million will be needed to pay the remaining claims. (Costs imposed by Chapter 1071 after June 30, 1978, are reimbursed under the new County Justice System Subvention Program, which is discussed later in this analysis.)

Delinquency Prevention Funding. The budget proposes an expenditure of \$1,500,000 for delinquency prevention programs in 1982-83, which is \$33,000 less than the amount appropriated in the current year (2.2 percent).

County Subvention Program. 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

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

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 budget for 1982-83 proposes expenditures of \$66,540,000 for the CJSSP, which is 5 percent more than the amount appropriated in the current year.

Five Percent Reduction

The department's institutional program was exempt from the 5 percent reduction imposed on many General Fund agencies by the Department of Finance. The department's support budget, however, was reduced by \$1,638,000 to satisfy the 5 percent reduction requirement. Specifically, the department proposes to reduce temporary help (student assistants) by \$100,000 and operating expenses and equipment by approximately \$1.5 million. This reduction will not affect the number of authorized positions.

Our review of these reductions indicates that most of them will have little impact on program performance. Approximately 40 percent of the 5 percent reduction (\$641,000), however, represents a cost deferral rather than a cost savings. The department will defer until 1983-84 the replacement of certain vehicles and acquisition of word processing equipment for use in its institutions, to reduce budget-year expenditures by \$341,000. In addition, it will defer some maintenance projects into 1983-84, further reducing budget-year expenditures by \$300,000. The department advises that deferring the purchase of equipment items for one year will have only a minor impact on department programs. Deferral of the maintenance projects, on the other hand, could lead to more expensive repairs in the future. We have no way of evaluating the likelihood that this will happen. Our analysis indicates that the other reductions will not have a significant impact on the ability of the department to meet its primary responsibilities.

Population Increase Plan

The department estimates that by June 30, 1983, the total ward population for all institutions and camps will increase to 5,982 if existing policies and procedures are not modified. At present, there are only 5,340 beds available in its facilities, and thus the CYA will be short space for 642 additional wards by June 30, 1983.

Current-Year Plan Fails. Last year, the department projected that its institutions would be overcrowded through the first six months of the year, but that the institutional population would equal the design capacity of 5,340 by January 1, 1982. In order to achieve this goal, the department altered its policies to reduce the intake of criminal court cases by refusing to accept those with serious offenses or long criminal histories. Under this policy, the department frequently rejects wards committed to the department by a criminal court who have been committed to it once before by a criminal or juvenile court. Wards rejected by the department as "unamenable to treatment" generally are returned to the committing court, with the recommendation that they be sentenced to prison.

Despite implementation of this policy, the department's institutional

population continues to exceed design capacity. On December 31, 1981, the population was 5,870, or 530 more than the number projected in last year's budget. The budget indicates that the department will incur a current-year deficiency of \$4,270,000 because of unbudgeted overcrowding.

Budget-Year Plans. In order to address the continuing problem of overcrowding in 1982-83, the department proposes to (1) increase the number of available beds, (2) return additional wards to court for an alternative sentence, and (3) release low-risk wards on 90-day work furlough.

1. **Increase Bed Capacity.** The department proposes to increase its overall bed capacity by 56 beds in 1982-83. This will be accomplished by converting a 20-bed detention unit at the Fred C. Nelles School to a regular program unit, and converting an upholstery shop at that institution to a 30-bed orientation unit. In addition, six offices would be changed into ward rooms at the Southern Reception Center Clinic. The budget proposes the addition of 9.9 personnel-years and \$398,000 in order to provide the 56 beds of additional capacity.

2. **Use Work Furlough Program.** The department also proposes to contract with various private service providers for a work furlough program, for a total bed savings of 60 by June 30, 1983. The department would screen and release wards to group homes 90 days prior to their anticipated parole date, for residential, counseling, and employment services. Such wards would then be released to parole at the completion of the program. The department is requesting \$655,200 and no additional staff to implement this program. Per capita costs are budgeted at \$1,200 per month.

3. **Return Wards to Court.** The department proposes to increase by 60 the number of wards returned to the committing court for an alternative sentence because they are considered to be "unamenable to treatment," based on their behavior while incarcerated in the Youth Authority.

These plans, however, will still leave the department short of beds, and it will be forced to overcrowd CYA institutions by 456 wards. The department is requesting \$4,028,000, including 59 personnel-years of staff, to overcrowd institutions and camps by 437 wards, and to convert one wing of the Northern California Youth Center hospital to a program unit to house 19 wards. Ten additional wards will be transferred to the Federal Bureau of Prisons.

Department Proposes to Expand Work Programs

We recommend approval.

The budget requests \$652,000 to expand work programs for wards. In total, this request will increase the average daily number of wards engaged in work/training programs by 175.

Urban Camp Program. The department requests \$212,000 to provide one 50-bed conservation corps program at each of its two reception centers. Under this program, carefully screened wards will assist governmental agencies in maintaining parks and recreational areas, repairing buildings, and performing other work projects. The goal of the conservation corps is to provide a combination of meaningful work and an opportunity to develop job skills.

In recent years, the number of wards housed at the reception centers for long periods while awaiting bed space in the department's institutions has increased markedly. Our analysis indicates that this request would provide a useful training program for wards who would otherwise be

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

housed at the reception centers with no education or training programs available for them.

Forestry Program. The department proposes to expand the forestry program at the Dewitt Nelson Training Center from 50 to 85 beds. This program provides work experience to wards, such as landscape maintenance and fire fighting, and provides a labor force to other state agencies, such as the Departments of Forestry, Parks and Recreation, and Fish and Game. The request for the program expansion totals \$320,000, of which the department would spend \$88,400, and 2.4 personnel-years of staff. The remaining \$231,000 and 3.5 personnel-years of staff, equipment and operating expenses would be spent by the Department of Forestry.

Agriculture Work Training Program. The department requests \$120,000 and 2.4 positions to establish an agriculture work training program at the Dewitt Nelson Training Center for 15 wards by contracting with local agribusinessmen. Participants in the program will be paid at a rate comparable to forestry trainees, and selected wards will graduate into an agriculture work furlough program, which is an extension of the existing work furlough program at Dewitt Nelson. Our analysis indicates that this program would provide vocational training in one of the largest employment areas in the state.

Parole Employment Program. The department proposes to redirect \$150,000 within the parole branch's subsistence and personal care budget to provide a parole employment program serving 40 wards and 60 parolees each year by contracting with Industry-Corrections-Interface (ICI), a charitable nonprofit organization. A ward's participation in the program would last for about three months, and would include remedial education, vocational and employment preparation, work experience, and job placements. Participants in the program would be paid a minimum of \$3.35 per hour with incentive increases based on performance.

Savings Estimates Differ Widely

We recommend that, prior to budget hearings, the Office of Procurement of the Department of General Services and the Department of the Youth Authority jointly report to the fiscal committees on the estimated amount (and timing) of savings anticipated from the implementation of SLAMM project recommendations.

The Department of General Services' Office of Procurement has begun a statewide program to establish standards for all materials management activities, and to reduce state expendable goods inventories that are often maintained in uneconomically large quantities. The program, which will eventually involve a review of each major agency and warehouse facility, is administered within the framework of the Statewide Logistics and Materials Management System (SLAMM).

In March 1981, SLAMM project staff completed a review of the Department of the Youth Authority materials management activity and developed, in cooperation with department staff, a plan to improve the department's materials management. The department indicates that although it is in general agreement with the findings and recommendations made in the report, it anticipates only enough savings to fund the establishment of a coordinator position, related clerical support, and four institutional materials management positions recommended in the report.

The SLAMM study identified deficiencies in the department's policies

for inventory control of stock; the lack of monitoring of inventory levels, and the absence of comprehensive materials management guidelines. The study recommended corrections to these problems, and indicated that their implementation would enable the department to reduce its inventory investment by \$2,004,964 over a five-year period, resulting in a \$596,105 reduction in annual operating costs. Other benefits that would result from implementing these recommendations include improved inventory accountability and management.

The department indicates that it has administratively established one coordinator position and related clerical support to determine its materials management needs during the current year. It plans to continue them through the budget year, and may submit a request for additional positions in 1983-84.

Because of the disparity between the SLAMM project's estimate of savings (a one-time savings of \$2,004,964 over several years and a \$596,105 reduction in annual costs) and the department's indication that no net savings are likely to occur, we recommend that prior to budget hearings, the Office of Procurement of the Department of General Services and the Department of the Youth Authority jointly report to the fiscal committees on the estimated amount and timing of budget savings anticipated as a result of the implementation of the SLAMM project recommendations.

Inconsistent Trainee Salaries

We recommend the adoption of supplemental report language directing the Department of the Youth Authority to use the training classification salary level proposed by the Department of Corrections to ensure consistent employment practices by state correctional departments. We further recommend that the Department of the Youth Authority's budget be reduced to reflect use of the trainee salary level, for a General Fund savings of \$170,000 (Item 5460-001-001).

Group supervisors employed by the department attend a three-week training academy prior to assuming formal responsibilities for ward supervision at Youth Authority facilities. The department expects 360 trainees to complete the academy in 1982-83.

Under existing policy, both the Departments of Corrections and the Youth Authority pay entry-level trainees the regular salary rate paid correctional officers and group supervisors (currently \$1,609 per month). Beginning in 1982-83, however, the Department of Corrections proposes to alter this policy by using a trainee classification for new officers attending its academy. As a result, it will pay correctional officer trainees \$1,091 per month instead of the regular monthly salary. Upon graduation from the academy, the correctional officers would receive the \$1,609 per month rate.

Our analysis indicates that the use of a lower salary is appropriate for employees in a training status. To avoid inconsistent employment practices by the two state correctional departments and possible recruiting difficulties for the Department of Corrections, we recommend that the Department of the Youth Authority adopt the trainee salary structure proposed by the Department of Corrections. If the Department of the Youth Authority implements the trainee pay scale, its training costs would be about \$170,000 lower than budgeted. Accordingly, we recommend a reduction of \$170,000 from the department's budget (Item 5460-001-001). We also recommend adoption of the following supplemental report language, "The Department of the Youth Authority shall use the same

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

trainee pay scale for new group supervisors attending its training academy as used by the Department of Corrections for correctional officer trainees.”

Unneeded Equipment

We recommend deletion of \$41,000 proposed for new equipment.

Analysis of the department’s baseline Supplementary Schedule of Equipment (Schedule 9) reveals that funds for photocopier equipment are overbudgeted.

The department requests approximately \$62,500 for seven photocopiers for its institution and parole regions. Prices range from \$32,281 for one at the Ventura School to \$3,050 for one at the Fred C. Nelles School. While prices vary, depending on size and model, the department has not provided any justification for the wide variation in costs of the units requested. In the absence of such documentation, we recommend that the department purchase seven of the least expensive photocopiers (\$3,050 each), for a General Fund savings of \$41,000.

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY

Item 5460-301 from the General Fund, Special Account for Capital Outlay; and Energy and Resources Fund, Energy Account

Budget p. YAC 60

Requested 1982-83	\$5,125,000
Recommended approval	528,000
Recommended reduction	2,848,000
Recommendation pending	\$1,749,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. Transfer to General Fund. Recommend that total recommended reductions of \$2,829,000 to Item 546-301-036 and \$19,000 to Item 5460-301-189 be transferred from the Special Account for Capital Outlay and the Energy and Resources Fund, Energy Account, respectively, to the General Fund to increase the Legislature’s flexibility in meeting high-priority needs statewide. 1250
2. *New Infirmiry, Preston School of Industry—Construction. Reduce Item 5460-301-036(a) by \$1,634,000.* Recommend deletion of proposed construction funds because a less costly alternative is available. 1250
3. *Emergency Lighting. Reduce Items 5460-301-036(c) and (d) by \$176,000 and \$129,000, respectively.* Recommend deletion of funds for emergency lighting systems at the Youth Training School and Nelles School because projects are not justified. Further, withhold recommendation on 1251

- Item 5460-301-036(b), emergency lighting system, Ventura School, pending receipt of additional information.
4. Camp Expansion Program. Recommend that prior to legislative hearings, the department report to the Legislature on steps it will take to fill and fully utilize proposed additional camp capacity. 1252
 5. *Southern California Youth Conservation Camp—Preliminary Plans and Working Drawings. Reduce Item 5460-301-036(e) by \$885,000.* Recommend deletion of funds because project is not adequately defined. 1253
 6. Paso Robles Youth Conservation Camp—Preliminary Plans and Working Drawings. Withhold recommendation on Item 5460-301-036(f), pending receipt of additional information. 1253
 7. Oak Glen Conservation Camp—Construction. Withhold recommendation on Item 5460-301-036(g), pending receipt of additional information. 1254
 8. *Minor Capital Outlay. Reduce Item 5460-301-036(h) by \$5,000.* Recommend deletion of one project which should be funded from the department's support budget. 1255
 9. *Minor Capital Outlay—Energy Conservation. Reduce Item 5460-301-189 by \$19,000.* Recommend deletion of over-budgeted funds. 1255

ANALYSIS AND RECOMMENDATIONS

The budget requests \$5,023,000 from the General Fund, Special Account for Capital Outlay, and \$102,000 from the Energy and Resources Fund, Energy Account, for seven major capital outlay projects and 28 minor capital outlay projects for the Department of the Youth Authority. The department's proposal and our recommendations are summarized in Table 1.

Table 1
Department of the Youth Authority
1982-83 Capital Outlay Program
Item 5460-301
(in thousands)

<i>Project/Location</i>	<i>Budget Bill Amount^a</i>	<i>Analyst's Proposal</i>	<i>Estimated Future Cost^b</i>
Construct new infirmary—Preston School of Industry ..	\$1,634 c	—	—
Install emergency lighting			
Ventura School.....	89 pwc	Pending	—
Youth Training School	176	—	—
Nelles School.....	129	—	—
Southern California Youth Conservation Camp	885 pw	—	\$6,318
Paso Robles Youth Conservation Camp	482 pw	Pending	3,445
Oak Glen Conservation Camp.....	1,178 c	Pending	547
Minor projects	450	\$445	—
Minor projects—energy conservation	102 pwc	83	—
Totals	\$5,125	Pending	\$10,310

^a Phase symbols indicate: p—preliminary plans; w—working drawings; c—construction.
^b Department's estimate.

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY—Continued**Transfer to General Fund**

We recommend that the savings resulting from our recommendations on Item 5460-301-036 (\$2,829,000) and Item 5460-301-189 (\$19,000) be transferred from the Special Account for Capital Outlay and the Energy and Resources Fund, Energy Account, respectively, to the General Fund in order to increase the Legislature's flexibility in meeting high-priority needs statewide.

We recommend reductions amounting to \$2,848,000 in the Department of the Youth Authority's capital outlay proposal. Approval of these reductions, which are discussed individually below, would leave unappropriated balances of tideland oil revenues in the Special Account for Capital Outlay and the Energy and Resources Fund, Energy Account, where they would be available only to finance programs and projects of a specific nature.

Leaving unappropriated funds in special purpose accounts limits the Legislature's options in allocating funds to meet high-priority needs. So that the Legislature may have additional flexibility in meeting these needs, we recommend that any savings resulting from approval of our recommendations be transferred to the General Fund.

A discussion of the individual projects follows.

Construct New Infirmary—Preston School of Industry

We recommend that Item 5460-301-036(a), construction, new Preston Infirmary, be deleted because a less costly alternative is available.

The budget proposes \$1,634,000 under Item 5460-301-036(a) to construct a new infirmary at the Preston School of Industry. The proposed 6,620 square foot building will provide overnight treatment and recovery rooms for Preston wards. The one-story building will have a wood and concrete block frame, brick veneer walls and a parking lot and driveway. The department cites the following points as justification for the new infirmary.

1. A structural survey conducted by the Office of State Architect (OSA) in 1974 and a seismic survey conducted by OSA in 1976 indicate that the present structure cannot withstand lateral forces of a magnitude specified by the Hospital Seismic Safety Act.

2. A fire clearance inspection by the State Fire Marshal indicates several fire and life safety deficiencies in the existing infirmary.

3. The square footage of the existing structure exceeds the needs of the school and the physical location does not meet current needs.

Seismic Safety Requirements. The OSA report indicates that the present structure could not withstand lateral forces of a magnitude specified by the Hospital Seismic Safety Act. It is neither necessary nor appropriate to apply the Hospital Act standards to infirmaries. Title 22 of the California Administrative Code expressly exempts infirmaries from hospital licensing requirements and the related stringent seismic safety requirements. Given this exemption, the infrequent seismic activity in the area, and the limited building occupancy, the need to vacate or modify the infirmary for seismic reasons is not apparent.

The Seismic Safety Commission has developed a methodology for evaluating state buildings to reduce the danger to life in a damaging earthquake. This methodology is based on historic evidence of structural performance in earthquakes and takes into account the building's age and

construction, the square-foot area of the building, the occupancy of the structure, the seismicity of the area, and the cost of rehabilitating the structure. The existing infirmary at Preston should be evaluated under these criteria, and not the Hospital Act.

Less Costly Alternative Available. Information provided by the department indicates that the existing infirmary building could be modified to meet the needs of the school. The estimated cost of this modification (\$708,000) assumed that the requirements of the Hospital Act would be met. As indicated above, infirmary buildings do not have to meet the requirements of the Hospital Act. Thus, the cost of modifying the infirmary to meet the applicable codes would be even less than the department's estimate. Given the availability of a less costly alternative, we recommend the proposed funds be deleted.

Installation of Emergency Lighting Systems

We recommend that Items 5460-301-036(c) and (d), emergency lighting systems, Youth Training School and Fred C. Nelles School, be deleted because projects are not justified. We further withhold recommendation on Item 5460-301-036(b), emergency lighting, Ventura School, pending receipt of additional information.

The budget proposes \$89,000, \$176,000 and \$129,000 for the installation of emergency lighting systems at the Ventura School, the Youth Training School, and the Fred C. Nelles School, respectively. These funds would be used to modify existing emergency lighting systems and electrical distribution systems to ensure that adequate emergency lighting is provided at these three institutions. Loss of lighting, particularly at an institution, creates a dangerous environment since visual supervision is eliminated and electronic communications is inoperative. The department indicates that a reliable source of light must be made available in dormitories, gymnasiums, auditoriums, and other buildings that are occupied by wards. A summary of the work proposed to be done at each institution and our recommendations follow.

Ventura School. Item 5460-301-036 (b) contains \$89,000 for the installation of generators at the dormitories and control center at Ventura School. The proposed work also includes the installation of battery-powered lamp units at the dormitories, the gymnasium, auditorium, and control center and a battery inverter at the gymnasium.

We have received no schematic plans or cost estimates for this project. The department, however, indicates that these documents will be available prior to legislative hearings on the budget. We withhold recommendation on this project, pending receipt of this information.

Youth Training School. The budget includes \$176,000 under Item 5460-301-036(c), for an emergency lighting system at the Youth Training School (YTS). The department states that currently there is only one source of electrical power at YTS. During powerline outages no alternative line source is available. This project would provide a secondary power source to reduce the number of complete power outages, at the institution.

The 1981 Budget Act included \$90,400 under the department's minor capital outlay program to install generators at housing units 1, 2, and 3, and battery inverters at the gymnasium and auditorium at YTS to provide emergency power and lighting. The project proposed for 1982-83 was considered by the Legislature during the 1981 budget hearing. The project was denied at that time because, coupled with the minor capital outlay

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY—Continued

project, it would result in an unnecessary redundancy in the YTS emergency power system. This situation has not changed, and we recommend deletion of the proposed funds, for a savings of \$176,000.

Documents received from OSA indicate a total project cost of \$139,000. This estimate, however, includes a total of \$31,000 in construction contingencies and architectural/engineering fees (28.5 percent of estimated contract cost). An amount equivalent to 18 percent of contract cost should be sufficient for a project of this type, for a total project cost of \$127,000. Since \$2,000 has already been transferred to OSA for the preparation of budget packages, only \$125,000 should be needed to complete this project if it is approved.

Nelles School. The budget proposes \$129,000 under Item 5460-301-036(d) to install emergency generators and battery lamp units at the dormitories at Fred C. Nelles School.

The 1981 Budget Act appropriated \$51,000 for the installation of battery-operated lamp units at the dormitories, gymnasium, kitchen, dining room, and control center at Fred C. Nelles School. Funds were also provided for the installation of a battery inverter and a generator at the control center. The need for additional funds has not been established. Consequently, we recommend that the project be deleted, for a savings of \$129,000.

Camp Expansion Program

We recommend that prior to legislative hearings, the department report to the Legislature on steps it will take to fill and fully utilize proposed additional camp capacity.

The department's capital outlay proposal includes three projects to expand the physical capacity of its camp program. Specifically, the department is requesting funds to increase the capacity of the Oak Glen Conservation Camp by 80 beds and to construct two new camps of 100 beds each—a total increase of 280 beds.

Utilization of Camps. Historically, the department has not fully utilized existing camp capacity. In our analyses of both the 1978 and 1979 Budget Bills, we discussed the problem of camp underutilization. Despite ward population pressures in 1978-79, camps continued to operate at less than capacity. For example, out of a total ward population of about 4,500 in 1978-79, the number assigned to camps by the department ranged from 332 to 366. At that time, the department had a camp capacity to house 400 wards. Thus, while the department could have housed nearly 9 percent of the wards in camps, it was able to house only 7 to 8 percent. Further, the department's present camp capacity provides space for 504 wards, but as of December 1981, only 468 wards—out of a total population of 5,879 wards—were in the camp programs.

The department estimates that by June 30, 1983, the total ward population will be about 6,000. If the proposed camp program is implemented, the bed capacity in camps would be 784—13 percent of the projected population. Based on the department's use of camps to date, it is not clear that the department can fully utilize all the additional space.

Ward Characteristics. Moreover, the department indicates that the characteristics of the ward population have been changing. The department is now dealing with many older, more sophisticated and violence-prone individuals for whom a camp program is not necessarily appropriate. For example, the department cites that:

- Median age of all wards committed is 17.5 years, compared to 16.9 years in 1965.
- Males with a first commitment offense in the category "offenses against persons" now comprise 45 percent, versus 15.5 in 1965.
- Violent behavior has increased. Comparing 1965-66 to 1980-81 shows that attacks on staff were up from 24 to 84, and attacks on other wards were up from 22 to 547.

In view of these considerations, we recommend that the department report to the Legislature on how it plans to utilize the proposed additional camp capacity and maintain camp population to fully utilize these facilities.

Southern California Youth Conservation Camp—Preliminary Plans and Working Drawings

We recommend that Item 5460-301-036(e), preliminary plans and working drawings, Southern California Youth Conservation Camp, be deleted because the project is not adequately defined.

The budget includes \$885,000 under Item 5460-301-036(e) for the preparation of preliminary plans and working drawings for a new Youth Authority camp in Southern California. Information submitted by the department indicates that the camp—for 100 wards—will be located either adjacent to the Ventura School or on other state-owned property. The camp will offer fire fighting and suppression crews as well as crews for natural resource conservation projects. This is one of several projects submitted by the department to expand Youth Authority capacity.

The proposed camp will include a 100-bed barracks, a staff barracks, two staff residences, a kitchen/dining area, a school area, administration building, and related support buildings. The department estimates the total cost of this project to be \$7.2 million.

Youth Authority facilities are filled beyond capacity. Construction of this camp will provide needed bed space in Southern California, where 65 percent of the department's commitments are received. In addition the Department of Forestry has expressed a need for additional fire suppression forces in Southern California. Estimated costs for the first full year of operations are \$2,387,000 for the Youth Authority and \$795,000 for the Department of Forestry, for a total of \$3,182,000.

At the time this analysis was prepared, no decision has been reached on the location of this camp. The department indicates that it is considering development in Bratton Valley (San Diego County) on land which has been declared surplus by the Department of Forestry and is currently under the control of the Department of General Services.

Since no site has been selected, OSA has not begun work on budget schematics or a cost estimate. We do not know when this information will be available. Moreover, because this camp would be a new development, an Environmental Impact Report would have to be written before preliminary plans could be started. For these reasons, we believe the request is premature, and recommend that the proposed preliminary planning and working drawing funds be deleted, a reduction of \$885,000.

Paso Robles Youth Conservation Camp—Preliminary Plans and Working Drawings

We withhold recommendation on Item 5460-301-036(f), preliminary plans and working drawings, Paso Robles Youth Conservation Camp, pending receipt of additional information.

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY—Continued

Item 5460-301-036(f) proposes \$482,000 for the preparation of preliminary plans and working drawings for a youth conservation camp at Paso Robles. This new 100-ward camp would be located outside the security perimeter of the existing institution. One-half of the camp's population would—in conjunction with the Department of Forestry—conduct fire fighting/suppression and conservation work in state and national forests. The other half of the camp's population would provide conservation and work crews (wards aged 16–17) for local government.

The proposed project includes two 50-bed barracks, kitchen and dining facilities, a school building, administration building, and associated support structures and utility development. The department estimates that it will cost \$3,927,000 to develop this camp. Annual operating costs of this facility are estimated at \$2,387,000.

The Department of Corrections has developed standard plans for the construction of satellite camps adjacent to existing institutions. Use of these plans for the Paso Robles site would reduce the cost of architectural fees and development. This would also reduce the time needed to complete a fully functioning camp and construction may be able to begin in the budget year. The OSA is currently in the process of developing budget schematics and cost estimates for this project. Consideration should be given to use of these standard plans. In addition, an Environmental Impact Report may have to be filed for this project.

We withhold recommendation on the proposed funds, pending receipt of environmental documents, budget schematics and cost estimates.

Oak Glen Conservation Camp—Construction

We withhold recommendation on Item 5460-301-036(g), construction, Oak Glen Conservation Camp, pending receipt of additional information.

The Budget Bill proposes \$1,178,000 under Item 5460-301-036(g) for a major expansion at Oak Glen Conservation Camp. This camp currently provides space for 50 wards and the department is proposing to expand the population to 130. The department is proposing the following projects to expand capacity at Oak Glen:

1. Construction of an 80-bed replacement dormitory.
2. Modification of the kitchen/dining/commissary.
3. New storage warehouse/maintenance shop.
4. Addition of two bays to the bus garage.
5. Upgrade electrical distribution system.

The Oak Glen Conservation Camp is operated jointly by the Youth Authority and the Department of Forestry. The camp physical facility master plan—developed by the Office of State Architect—indicates that the original 80-person barracks is both “functionally and economically spent.” Because rehabilitation of the building is not practical, the department is proposing to construct new facilities.

The 1980 Budget Act appropriated \$110,000 to prepare preliminary plans and working drawings for the new facility and to demolish the existing barracks. The 1981–82 Governor's Budget requested \$1,390,000 to construct a new dormitory. Anticipating that funding for the new facility would be approved, the Youth Authority spent \$30,000 of minor capital outlay funds to remodel an existing warehouse at Oak Glen to house 52 wards on a temporary basis until completion of the new dormitory. The old barracks were vacated in March 1981 when the remodeling work was

completed. The Legislature however, chose not to fund the construction of the new dormitory in 1981-82.

The department is proposing to build the 80-ward dormitory and retain the remodeled warehouse as a 50-bed dormitory, thereby increasing the camp's population to 130. The budget requests \$1,178,000 for construction work at the camp. The department indicates, however, that the total cost of development will be \$1,725,000.

It is not clear which specific items of work the department intends to accomplish with the proposed funds. While we have received working drawings for the proposed new dormitory facility, OSA is still working on budget packages for the remaining aspects of this proposed expansion. We withhold recommendation on this item pending clarification from the department on which aspects of the project are being funded and the receipt of schematics and estimates for the remaining portion of the work from the Office of State Architect.

Minor Capital Outlay

We recommend that Item 5460-301-036(h), minor capital outlay, be reduced by \$5,000 because one project should be funded from the department's support budget.

The budget proposes an appropriation of \$450,000 from the Special Account for Capital Outlay for 21 minor projects for the Department of the Youth Authority. These projects are summarized by category in Table 2. With the exception of one project, we agree with the need for and the cost of the minor projects.

Table 2
Department of the Youth Authority
Minor Capital Outlay Projects, by Category
(in thousands)

<i>Category</i>	<i>Budget Amount</i>
1. Security improvements.....	\$67
2. Recreation area improvements	48
3. Correct code deficiencies.....	13
4. Provide additional visiting space	111
5. Miscellaneous improvements	206
6. Sound control gymnasium—study	5
Total	\$450

Sound Control Study. The department's minor capital outlay proposal includes \$5,000 for a study by the Office of State Architect to develop alternatives for dealing with noise level problems in the gymnasium at the Northern Reception Center-Clinic. The department states that the noise levels attained during athletic activities inhibit staff communication and proper supervision of wards. The proposed funds would be used to conduct a study and provide recommendations and specifications for dealing with this problem. This study is not a capital outlay item and should be funded with consulting money which is provided in the support budget. Consequently, we recommend that the proposed \$5,000 be deleted.

Minor Capital Outlay Projects—Energy Conservation

We recommend that Item 5460-301-189, minor projects—energy conservation, be reduced by \$19,000 to delete overbudgeted funds.

Item 5460-301-189 proposes \$102,000 from the Energy and Resources

DEPARTMENT OF THE YOUTH AUTHORITY—CAPITAL OUTLAY—Continued
Fund, Energy Account, for minor capital outlay projects for the Youth Authority. The seven proposed projects are summarized in Table 3.

Table 3
Department of the Youth Authority
Energy-Related Minor Projects
Item 5460-301-189
(in thousands)

<i>Location</i>	<i>Project</i>	<i>Amount Requested</i>
Ventura School	Solar pool cover	\$7
Northern Reception Center	Solar pool cover	7
El Paso de Robles School	Renovate lighting—central kitchen, commissary, gymnasium	23
Northern California Youth Center	Solar pool covers (3)	38
	Install refrigeration energy converters	15
Pine Grove Camp	Insulate maintenance/storage building	8
Washington Ridge Camp	Replace lighting fixtures—dorm and recreation hall	4
Total		<u>\$102</u>

Solar Pool Covers. The department is proposing to install solar pool covers on the swimming pools at five institutions. A total of \$52,000 is budgeted for these items. Information provided by the department indicates that, allowing for cost increases and contingencies, this work could be accomplished for \$2.75 per square foot of pool area. The five pools have a total area of 13,050 square feet. Therefore, \$36,000 should be sufficient to fund this work. Accordingly, we recommend that the funds proposed to install the solar pool covers be reduced by \$16,000.

Pine Grove Maintenance/Storage Building. The budget includes \$8,000 to insulate the walls and roof of the maintenance and storage building at the Pine Grove Youth Conservation Camp. Information provided by the department indicates that two different insulation systems could be used on this building. The \$8,000 request is based on the more expensive of these two alternatives. The less-costly alternative of spraying the inside walls and ceiling with a cellulose-type material has a total cost of \$5,000. We recommend that the department pursue this less costly alternative, for a savings of \$3,000.

DEPARTMENT OF THE YOUTH AUTHORITY—REVERSION

Item 5460-495 to the General
Fund, Special Account for
Capital Outlay

ANALYSIS AND RECOMMENDATIONS

We withhold recommendation on the reversion proposed under Item 5460-495, pending receipt of additional information.

Item 5460-495 of the budget proposes the reversion of the unencumbered balance of the following appropriation:

1. Item 546-301-036(i), Budget Act of 1981 (\$149,000)—DeWitt Nelson School—relocatable classroom building.

These funds were appropriated to purchase and install a relocatable classroom building at the DeWitt Nelson School (DNS). During last year's budget hearings, the department indicated that DNS did not have enough educational facilities to deal with the population increase at this school.

In October 1981, the Director of Finance informed the Joint Legislative Budget Committee (JLBC) of her intent to approve the transfer of these funds to another capital outlay project. The Chairman of the Joint Legislative Budget Committee requested that she not proceed with the proposed redirection of funds. At that time, the Director indicated that while the DNS relocatable classroom building could be deferred, the need for the facility had not diminished. The department has not indicated why these funds are no longer needed. We withhold recommendation on this item, pending receipt of this information.

DEPARTMENT OF EDUCATION

Item 6100 from the General
Fund and various funds

Budget p. E 1

Requested 1982-83	\$8,879,891,000
Estimated 1981-82.....	8,299,220,000
Actual 1980-81	8,118,462,000
Requested increase (excluding amount for salary increases) \$580,671,000 (+7.0 percent)	
Total recommended reduction	\$44,493,500
Recommendation pending	\$7,611,000

1982-83 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount	Analysis page
6100-001-001—Main support		General	\$30,897,000	1357
6100-001-140—Environmental education ad- ministration		Environmental License Plate	—	1362
6100-001-178—School bus driver instruction		Driver Training	459,000	1298
		Penalty Assessment		
6100-001-344—School capital outlay planning		State School Building Lease-Purchase	487,000	1357
6100-001-680—Surplus property agency		Surplus Property	25,346,000	1344
6100-001-955—Instructional materials ware- housing and shipping		General	—	1307
6100-001-890—Federal support		Federal Trust	32,067,000	1357