

provide to their welfare department employees in 1989-90. This amount includes \$2.9 million for the COLA for county employees in the Child Welfare Services (CWS) program and \$24.4 million for the COLA for other county welfare department employees.

In accordance with the policy established by the Legislature in previous Budget Acts, the state will not pay for any of the costs of the 1989-90 COLA until 1990-91. The County Administration budget (Item 5180-141-001) includes \$9 million and the CWS budget (Item 5180-151-001) includes \$15 million for the General Fund share of the costs in 1989-90 of the COLA that counties provided their welfare department staff during 1988-89. We recommend that this item be approved.

Budget Proposes To Suspend Statutory COLAs

In previous years, this item has included appropriations from both the General Fund and federal funds to provide COLAs that are required by statute for grants provided to recipients of Aid to Families with Dependent Children-Family Group (AFDC-FG) and AFDC-Unemployed Parent (AFDC-U), Supplemental Security Income/State Supplementary Program (SSI/SSP), and the Refugee Cash Assistance program. The budget, however, assumes the enactment of legislation to suspend the requirement for COLAs in these programs. According to the DSS, the proposed suspension of the COLAs for the programs would result in a General Fund savings of \$243 million (\$105 million in AFDC-FG&U grant savings and \$138 million in SSI/SSP grant savings). We discuss the impact of suspending the COLAs on AFDC and SSI/SSP grants in the analyses of each of these programs (please see Items 5180-101 and 5180-111).

Youth and Adult Correctional Agency DEPARTMENT OF CORRECTIONS

Item 5240 from the General
Fund and various funds

Budget p. YAC 1

Requested 1989-90	\$1,862,131,000
Estimated 1988-89	1,651,227,000
Actual 1987-88	1,429,594,000
Requested increase (excluding amount for salary increases) \$210,904,000 (+12.8 percent)	
Total recommended reduction	1,418,000
Recommendation pending	104,000,000

DEPARTMENT OF CORRECTIONS—Continued
1989-90 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5240-001-001—Support	General	\$1,696,927,000
5240-001-232—Support	Hospital Services Account, Cigarette, and Tobacco Products Surtax Fund	6,650,000
5240-001-233—Support	Physicians Services Account, Cigarette, and Tobacco Products Surtax Fund	1,185,000
5240-001-236—Support	Unallocated Account, Cigarette, and Tobacco Products Surtax Fund	6,112,000
5240-001-747—Support	1988 Prison Construction	27,177,000
5240-001-890—Support	Federal Trust	217,000
5240-001-917—Support	Inmate Welfare	23,185,000
5240-003-001—Support	General	55,260,000
5240-101-001—Local assistance	General	31,210,000
Reimbursements		14,208,000
Total		\$1,862,131,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS
*Analysis
page*

1. Funding for Inmate and Parolee Population Growth. Withhold recommendation, pending analysis of the population proposal to be contained in the May revision. 642
2. Recidivism. Recommend department provide report on options to address the problem of inmate recidivism. 647
3. Plan for Community Bed Program Expansion. Recommend department report at budget hearings on goals and objectives for expansion of community bed program. 650
4. *Community Correctional Centers. Reduce Item 5240-001-001 by \$163,000.* Recommend reduction of 18 work furlough beds, because the beds are not needed based on current utilization rates. 652
5. *Parole Violator Processing Staff. Reduce Item 5240-001-001 by \$332,000.* Recommend reduction of 8.0 positions for parole violator processing because the increase is not justified on a workload basis. 653
6. Intentional Delays in Activation of New Prisons. Recommend department report on programmatic and security implications of the decision to delay activation of new prisons. 654
7. Hospital Licensing. Recommend adoption of supplemental language requiring the department to submit specified reports whenever there is a change in licensure status. 656
8. Fiscal Implications of Department's AIDS Management Plan. Recommend the department report on the capital and support costs associated with its AIDS management plan during budget hearings. 656
9. *Custody Staff at the California Institute for Men. Reduce Item 5240-001-001 by \$577,000.* Recommend deletion of 13 positions because custody staff have already been budgeted according to existing staffing formulas. 658

10. *Medical Staff at the California Institute for Women.* 659
Reduce Item 5240-001-236 by \$111,000. Recommend deletion of 2.0 positions for medical staff and related equipment because the increase is not justified on a workload or program basis.
11. *Psychiatric Outpatient Care Program.* Withhold recommendation, pending further information from the department during budget hearings. 660
12. *Prison Construction Claims.* Withhold recommendation, pending further information from the department during budget hearings concerning level of claims and remedial measures available to the department. 662
13. *Personnel Staff for Delegated Testing.* *Reduce Item 5240-001-001 by \$235,000.* Recommend deletion of eight positions for delegated personnel testing positions because the increase is not justified on a workload basis. 663

GENERAL PROGRAM STATEMENT

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

Institutions Program. Currently, the department operates 18 institutions including a medical facility and a treatment center for narcotic addicts under civil commitment. (This will increase to 19 institutions in the budget year.) Currently, the department also operates 35 conservation camps.

Major programs conducted in the institutions include 27 prison industry programs and six agricultural enterprises which seek to reduce idleness and teach good work habits and job skills. Programs also include vocational training in various occupations, academic instruction ranging from literacy to college courses, and group and individual counseling.

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

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

The department has 23,207 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes the expenditure of \$1.9 billion from various funding sources for support of the Department of Corrections in 1989-90, as shown in Table 1. This represents an increase of \$210.9 million, or 13 percent, above estimated current-year expenditures. About one-half of this increase is due to projected inmate and parole population increases with much of the remainder attributable to staff salary and benefit increases.

Expenditures shown in Table 1 for the current year include a deficiency request of \$36.7 million affecting several different funds. This amount includes a \$28.9 million increase in spending for the institutions

DEPARTMENT OF CORRECTIONS—Continued

program due to greater-than-budgeted increases in parole and institution populations. This increase is partially offset by \$13.9 million in savings in the parole program due to delayed community bed activations and parole caseload staffing adjustments. In addition to the population-related deficiencies, the department proposes \$15 million in merit salary increases, \$5.5 million in legal costs for defense of construction claims and an additional \$1.2 million in miscellaneous expenses. The table also reflects savings of \$4.1 million that the department anticipates will result from delaying local assistance payments until the budget year.

Table 1
Department of Corrections
Budget Summary
1987-88 through 1989-90
(dollars in thousands) ^a

<i>Program</i>	<i>Actual 1987-88</i>	<i>Est. 1988-89</i>	<i>Prop. 1989-90</i>	<i>Percent Change from 1988-89</i>
Institutions	\$1,295,141	\$1,475,323	\$1,652,686	12.0%
Community Corrections	134,453	175,904	209,445	19.1
Administration (distributed)	(101,386)	(128,353)	(136,509)	6.4
Totals, Expenditures	\$1,429,594	\$1,651,227	\$1,862,131	12.8%
Funding Sources				
General Fund	\$1,367,150	\$1,581,046	\$1,783,397	12.8%
Special Account for Capital Outlay	13,146	—	—	— ^b
Hospital Services Account	—	—	6,650	— ^b
Physicians Services Account	—	—	1,185	— ^b
Unallocated Account	—	—	6,112	— ^b
1986 Prison Construction Fund	11,117	—	—	— ^b
1988 Prison Construction Fund	—	35,929	27,177	-24.4
Federal Trust Fund	52	213	217	1.9
Inmate Welfare Fund	18,983	20,629	23,185	12.4
Reimbursements	19,146	13,410	14,208	6.0
Personnel-Years by Program				
Institutions	17,913	20,008	21,808	9.0%
Community Corrections	1,413	1,837	2,269	23.5
Administration	1,008	1,363	1,445	6.0
Totals, Personnel-Years	20,333	23,207	25,521	10.0%

^a Details may not add to totals due to rounding.

^b Not a meaningful figure.

The budget proposes expenditures of \$1.8 billion from the General Fund for support of the department in 1989-90. This is an increase of \$202 million, or approximately 13 percent, above estimated current-year expenditures (including the deficiency request).

In addition, the budget includes the following amounts: (1) \$13.9 million from the Tobacco Tax and Health Protection Act of 1988 (Proposition 99) to provide additional medical support for the growing inmate population, (2) \$27.2 million from the 1988 Prison Construction Fund for support of the department's prison construction and special repair and facility maintenance program, and (3) \$23.2 million from the Inmate Welfare Fund for special inmate programs. The department expects to receive reimbursements totaling about \$14.2 million and federal funds in the amount of \$217,000.

The budget includes \$97.9 million to provide additional staffing and related operating expenses and equipment to accommodate the projected increase in inmate and parolee populations during 1989-90. As shown in Table 2, the amount consists of \$76.3 million for housing additional inmates, and \$21.4 million for supervising additional parolees. In addition, the budget includes an increase of \$27 million for merit salary increases and \$18 million to partially off-set unallocated current year reductions which the department indicates it will be unable to absorb in the budget year. Table 2 shows workload adjustments, cost adjustments, and the significant budget changes proposed for 1989-90.

Table 2
Department of Corrections
Proposed 1989-90 Budget Changes
(dollars in millions) ^a

	<i>General Fund</i>	<i>Cigarette & Tobacco Products Surtax Fund</i>	<i>1988 Bond Fund</i>	<i>Federal Trust Fund</i>	<i>Inmate Welfare Fund</i>	<i>Reim- burse- ments</i>	<i>Total</i>
1988-89 Expenditures (Revised)....	\$1,581.1	—	\$35.9	\$0.2	\$20.6	\$13.4	\$1,651.2
<i>Workload Adjustments</i>							
Inmate population.....	70.5	5.1	—	—	0.3	0.4	76.3
Parole population.....	21.4	—	—	—	—	—	21.4
Administration/other.....	—	—	—	—	—	0.2	0.2
Subtotals.....	(\$91.9)	(\$5.1)	(—)	(—)	(\$3)	(\$6)	(\$97.9)
<i>Cost Adjustments</i>							
Inflation adjustments.....	7.1	0.6	0.3	—	0.3	0.1	8.4
Benefit adjustments.....	54.5	—	0.4	—	0.3	—	55.2
Full-year cost.....	51.7	—	—	—	—	—	51.7
Limited-term positions.....	-13.7	—	—	—	—	—	-13.7
One-time cost reduction.....	-26.8	—	-7.1	—	—	—	-33.9
Other.....	-7	—	—	—	—	—	-0.7
Subtotals.....	(\$72.1)	(\$6)	(\$-6.4)	(—)	(\$6)	(\$1)	(\$67.0)
<i>Program Adjustments</i>							
Contract medical Cigarette Sur- tax Fund.....	—	2.7	—	—	—	—	2.7
Inmate program.....	33.8	4.5	—	—	1.7	0.1	40.1
Parole program.....	0.8	1.0	—	—	—	—	1.8
Administration program.....	3.8	—	-2.4	—	—	—	1.4
Subtotals.....	(\$38.4)	(\$8.2)	(\$-2.4)	(—)	(\$1.7)	(\$0.1)	(\$46.0)
1989-90 Expenditures (Proposed) ..	\$1,783.5	\$13.9	\$27.1	\$0.2	\$23.2	\$14.2	\$1,862.1
Changes from 1988-89:							
Amount.....	\$202.4	\$13.9	-\$8.8	—	\$2.6	\$0.8	\$210.9
Percent.....	12.8%	—	-24.5%	—	12.6%	6.0%	12.8%

^a Detail may not add to totals due to rounding.

DEPARTMENT OF CORRECTIONS—Continued

Inmate Population Increases. The department projects that California's inmate population will continue to increase during 1989-90, as shown in Table 3. The table shows that the total population is projected to increase 8.5 percent, from 79,260 in the current year to 85,970 in 1989-90.

Table 3
Department of Corrections
Inmate Population
June 1988 through June 1990

	<i>Actual</i> 6/30/88	<i>Estimated</i> 6/30/89	<i>Projected</i> 6/30/90	<i>Percent</i> <i>Increase</i> <i>from 6/30/89</i>
Male felon	65,836	72,390	78,470	8.4%
Male nonfelon and others	1,814	2,035	2,155	5.9
Female felon	4,007	4,315	4,790	11.0
Female nonfelon and others	464	520	555	6.7
Totals	72,121	79,260	85,970	8.5%

Parole Population Increases. The department also projects the parole population to increase during the budget year. Table 4 shows that the parole population is expected to increase by almost 15 percent, from 55,525 in the current year to 63,800 in 1989-90.

Table 4
Department of Corrections
Parole and Outpatient Population
Supervised in California
June 1988 through June 1990

	<i>Actual</i> 6/30/88	<i>Estimated</i> 6/30/89	<i>Projected</i> 6/30/90	<i>Percent</i> <i>Increase</i> <i>from 6/30/89</i>
Male felon	40,977	48,940	56,435	15.3%
Male outpatient	1,196	1,385	1,510	9.0
Female felon	3,626	4,750	5,350	12.6
Female outpatient	407	450	505	12.2
Totals	46,206	55,525	63,800	14.9%

Inmate Housing Plan. Table 5 displays the department's plan for housing the additional inmates in the budget year, as well the system's budgeted bed capacity for the current and prior years. The table shows that during 1988-89, 3,024 new beds are planned for activation and 4,115 beds will be added through overcrowding.

In order to accommodate the projected increase of inmates in the budget year, the department expects to open 1,288 new beds at institutions and camps and to overcrowd an additional 5,422 beds in existing institutions. Table 5 shows the department's plan for housing inmates in the current and budget years.

Table 5
Department of Corrections
Institution Housing Plan
1987-88 through 1989-90

Institution	County	1987-88	1988-89		1989-90			
		Budgeted Capacity	New Beds	Over Crowding	Budgeted Capacity	New Beds	Over Crowding	Budgeted Capacity
New Institutions								
California State Prison, Corcoran	Kings	1,892	1,024	1,008	3,924	—	946	4,870
California State Prison, Del Norte	Del Norte	—	—	—	—	1,288	—	1,288
California State Prison, Kings (Avenal)	Kings	3,280	—	806	4,086	—	—	4,086
California State Prison, Riverside	Riverside	—	2,000	178	2,178	—	618	2,796
California State Prison, Madera	Madera	—	—	—	—	—	—	—
California State Prison, Ione.....	Amador	1,700	—	700	2,400	—	500	2,900
Northern California Women's Facility (NCWF)	San Joaquin	760	—	—	760	—	—	760
Richard J. Donovan Correctional Facility (RJD)	San Diego	2,800	—	700	3,500	—	100	3,600
Existing Institutions								
California Correction Center (CCC)	Lassen	3,355	—	-290	3,065	—	-100	2,965
California Correctional Institution (CCI).....	Kern	4,954	—	103	5,057	—	-87	4,970
California Institution for Men (CIM)	San Bernardino	5,906	—	-305	5,601	—	186	5,787
California Institution for Women (CIW)	San Bernardino	2,111	—	-133	1,978	—	-506	1,472
California Medical Facility (CMF)	Solano	7,242	—	123	7,365	—	—	7,365
California Men's Colony (CMC)	San Luis Obispo	5,836	—	68	5,904	—	—	5,904
California Rehabilitation Center (CRC)	Riverside	4,272	—	364	4,636	—	-196	4,440
California Training Facility (CTF)	Monterey	5,413	—	200	5,613	—	—	5,613
Deuel Vocational Institution (DVI)	San Joaquin	2,839	—	47	2,886	—	—	2,886
Folsom State Prison.....	Sacramento	6,536	—	-191	6,345	—	-238	6,107
San Quentin State Prison.....	Marin	3,042	—	761	3,803	—	521	4,324
Sierra Conservation Center (SCC).....	Tuolumne	3,374	—	-374	3,000	—	-192	2,808
All camps.....	Various	3,666	380	—	4,046	—	—	4,046
Unallocated ^a	Various	—	—	-30	-30	—	3,870	3,840
Totals.....		68,978	3,404	3,735	76,117	1,288	5,422	82,827

^a The department indicates that these beds will be allocated throughout the institutions on an overcrowding basis.

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

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

- **Acute Care Psychiatric Program**—\$523,000 for staff augmentation for the acute care psychiatric program operated by the Department of Mental Health at the California Medical Facility.
- **Work Incentive Programs**—\$1,860,000 for additional work incentive programs at Folsom Prison.
- **County Homicide Trials**—An increase in overtime funds of \$466,000 for transportation and security of inmates during a murder trial in Marin County.
- **Criminal Investigation Unit**—An increase of \$777,000 to continue staffing a criminal investigation unit for the department.
- **Reception Center Staffing**—Twelve additional nurse practitioners for medical examinations at reception centers.
- **Parole Outpatient Clinic Staff**—An increase of \$947,000 for additional psychiatrists, psychologists, and clerical staff.
- **Parole Violator Processing**—An increase of \$860,000 for additional parole hearing agents and clerical staff to handle increased parole violator workload.
- **Data Processing System for Parole Offices**—An increase of \$2 million to continue the implementation of a distributed data processing system in parole unit offices.

Institution and Parole Population Projections Uncertain

We withhold recommendation on \$97.9 million requested to fund inmate and parole population growth, pending analysis of a revised budget proposal, population projections, and construction schedule, to be included in the May revision.

The budget requests an increase of \$97.9 million and 1,186 personnel-years to accommodate inmate population growth in institutions, supervise and provide services to additional parolees, and fund associated population-driven support service costs. The budget request consists of \$87.8 million from the General Fund, \$300,000 from the Inmate Welfare Fund, \$4.1 million from local assistance programs, \$5.1 million from the Cigarette and Tobacco Products Surtax Fund, and \$600,000 in reimbursements. Based on past experience, we believe that this proposed request is likely to change for the following reasons.

First, the inmate population projections which form the basis for the Governor's Budget proposal usually change significantly between January and the time that the Legislature approves the Budget Bill. For example, the 1988-89 Governor's Budget, released in January 1988, requested funding to support 78,360 inmates. By the May revision, five months later, the department revised its projection to 74,384, a decrease of 3,976 inmates.

Second, parole population projections also have been variable. For example, between its spring and fall 1988 population projections, the department increased its parolee and outpatient population projections for June 30, 1990 by 1,815 parolees. Similarly, the department's projections of local assistance expenditures needed to pay for parolee detention in

local jails have been variable because of changes in the availability of local jail beds.

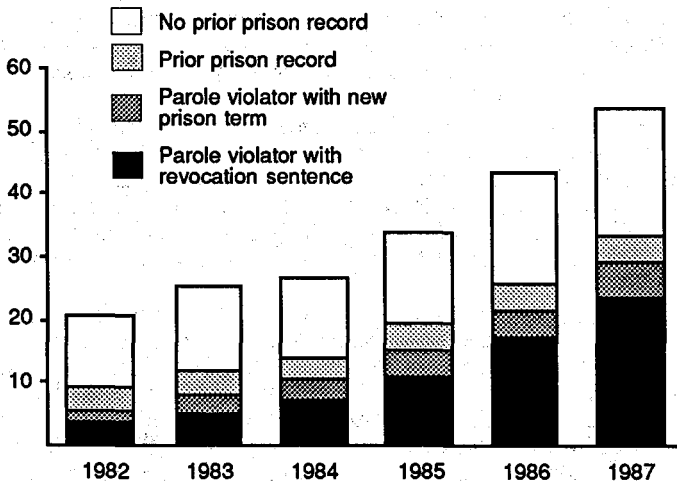
For these reasons, it is likely that the department's budget request will be revised significantly prior to the May revision. Pending receipt and analysis of the revised request, we withhold recommendation on \$97.9 million proposed for management of prison population growth and parolee services.

Recidivism Driving Up Inmate Populations

A large and increasing number of CDC inmates released into the community are returned to prison each year. This is occurring despite a variety of CDC programs that are intended to reduce inmate recidivism. For example, 63 percent of the inmates released to parole in the first half of 1986 were returned to prison at least once within two years, either for violating the conditions of their parole or for committing new crimes. In addition, a significant number of former inmates who have completed their period of parole commit new crimes, are convicted by the courts, and are reimprisoned. In 1982, parole violators and felons with prior prison commitments constituted 44 percent of annual prison admissions, or about 9,300 inmates as shown in Chart 1. By 1987 (the most recent year for which data are available), that proportion had increased to 63 percent, or about 33,600 inmates. This high rate of return has aggravated prison overcrowding and has had a major impact on CDC operations and costs.

Chart 1

Male Felon Admissions to Prison 1982 through 1987 (in thousands)



Our review suggests that although many of the factors that lead to recidivism are beyond the CDC's control, the department could do more

DEPARTMENT OF CORRECTIONS—Continued

to reduce the recidivism rate, particularly among persons still on parole. Additional efforts to address this problem are likely to require additional expenditures, but have the potential to result in savings to the state and other benefits to individuals in the long run. Given the high costs of incarcerating inmates and the increasing percentage of General Fund resources being devoted to these costs at the expense of other state programs, it is important that the department provide the Legislature with information on the available options to address this problem. (For a discussion of the rapid growth trends in CDC's capital outlay and support budgets, please see *The 1989-90 Budget: Perspectives and Issues*.)

The following analysis focuses on the circumstances under which former inmates return to prison, the costs of inmate recidivism, and options for reducing such recidivism.

Routes of Return to Prison

Former inmates can be returned to prison for either of two reasons: (1) they engaged in activities prohibited by the conditions of their parole or (2) they committed a new crime. Upon return to prison, the individual can serve either a parole revocation sentence imposed by the Board of Prison Terms (BPT), a new prison term imposed by the courts, or both in some cases.

Parole Revocation for Violating Conditions of Parole. Upon release from prison, most former inmates are required to report to a parole agent who will supervise them in the community for a period, defined by statute, of from one to three years. During this time, a parolee must not engage in criminal activity, and must also abide by various "technical" conditions of parole imposed by the Parole Division or the BPT. These conditions include remaining in contact with the parole agent and refraining from possession of weapons, and may include remaining drug-free. A parolee who violates any of these conditions may be referred by the Parole Division to the BPT, which has the authority to revoke the person's parole status and return him/her to prison to serve a parole revocation sentence of up to 12 months.

Prison Term and/or Parole Revocation for New Crimes. A person who commits a *new felony* while on parole may be arrested (either by his parole agent or by local law enforcement), convicted, and sentenced by the courts to serve a new prison term. In addition, because criminal conduct is itself a violation of parole, the parolee will receive a parole revocation sentence from the BPT, which is served concurrently with the new term.

Further, parolees who are *alleged* to have committed new misdemeanors or felonies, but who have not been prosecuted or convicted by the courts may also be returned to a prison by the BPT. This is because the BPT uses a "preponderance of evidence" standard to establish parolee guilt, rather than the more demanding standard of proof "beyond a reasonable doubt" required in the courts. Thus, the BPT is able to revoke paroles of individuals in cases where the evidence against them may not have been strong enough to obtain a conviction in court.

Prison Terms for New Crimes Committed After Parole. Finally, some persons are discovered in criminal activity by local law enforcement personnel after they have completed their parole period and are no longer under CDC supervision. If convicted by the courts, these persons

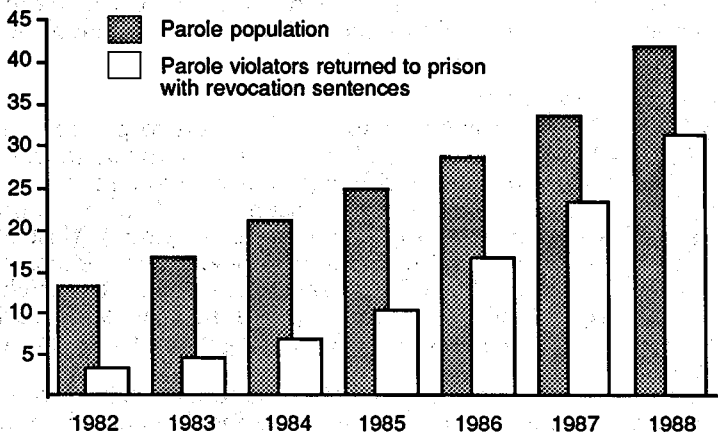
are returned to prison to serve new prison terms.

Parole Violators Serving Revocation Sentences—The Fastest Growing Segment

By far the fastest-growing group of recidivists consists of parole violators *not* convicted of new crimes by the courts, but who were returned to prison by the BPT to serve relatively short parole revocation sentences. As Chart 2 indicates, the number of these male returnees increased by almost 600 percent between 1982 and 1987, or more than *three times faster* than the increase in the parole population over the same period. This dramatic climb continued in 1988, with 31,660 male parolees returned to prison by the BPT to serve parole revocation sentences.

Chart 2

Male Parole Population and Parole Violators Returned to Prison With Revocation Sentences 1982 through 1988^a (in thousands)



^a Data for parole population as of June 30 for each year. Data for parole violators returned to prison with revocation sentences for calendar years.

In 1987, about one-half of the parole violators serving revocation sentences were charged by the BPT with technical violations only, while the other half were charged with criminal conduct or a serious felony. Data provided by the BPT show that the proportion of parolees returned to custody solely for technical violations has increased slightly over the past three years.

Reasons for Increase. In part, the number of parole violators serving revocation sentences in *prison* has increased because some parole violators who formerly served their sentences in county jails must now serve them in prison as a result of overcrowding in county jails. However, CDC reports suggest that parole staff decisions to refer more parole violators to the BPT for revocation, instead of continuing to supervise

DEPARTMENT OF CORRECTIONS—Continued

them in the community, play a much larger role in the increase. Because the BPT in recent years has revoked the parole of over 95 percent of the parolees referred to it for revocation, the Parole Division's decision to refer parolees to the BPT is tantamount to a decision to return them to prison.

Conversations with parole staff during field visits suggest that many technical parole violators are referred to the BPT for revocation because parole agents are reluctant to assume the risk of allowing troublesome parolees to remain in the community given the currently limited options and controls for managing them in the community.

Fiscal Impact of Revocations. The growth in the number of parole violators serving revocation sentences has resulted in a significant increase in the prison population and associated costs. *We estimate that parole violators who were returned to prison to serve revocation sentences in 1987 cost the state General Fund at least \$100 million in incarceration costs.*

In addition to incarceration costs, the revocation process involves other significant costs for detaining and transporting parolees and for parole hearing agents and BPT deputy commissioners to schedule and conduct revocation hearings. (For a discussion of the impact of the increasing parole violation rate on the BPT's budget, please see our analysis of Item 5440.)

New Prison Terms Also Costly

The number of former inmates who are returned to prison to serve new terms imposed by the courts also has increased somewhat, as shown in Chart 1. (These individuals are either parole violators serving a new prison term or individuals with a prior prison record, who completed their parole, and were subsequently convicted of a crime.) Most of this increase is due to the growth in the number of persons convicted of new felonies while still on parole. In 1987 (the most recent year for which data are available), nearly half of the inmates in prison had served at least one prior prison term. Twenty percent were serving their third, fourth, or even fifth term.

While parole violators serving revocation sentences have driven up incarceration costs by their sheer numbers, the more modest increase in the number of repeat offenders serving new prison terms has a disproportionately large fiscal impact. This is because persons with prior felony commitments are subject to current "habitual offender" laws. These laws require that anyone convicted of a new felony after a previous conviction for a "serious felony" (including residential burglary and robbery) must receive a sentence enhancement of five years in addition to the term imposed for the new felony. In 1986-87, inmates with prior offenses who were convicted of a new felony were sentenced to serve habitual offender enhancements totaling 4,751 years. *We estimate that enhancements for repeat offenses imposed in 1986-87 will cost the state at least \$25 million over a number of years, in addition to the costs of the base terms on which they were imposed.* Data from the BPT suggest that the number of inmates admitted with such enhancements is increasing.

Reasons for Continuing Criminal Behavior

Although researchers have been only modestly successful in developing models that will accurately predict which parolees will return to

crime and why, studies do show that recidivism tends to be correlated with certain factors in a parolee's background. A national study of recidivism rates among young parolees, conducted by the federal Bureau of Justice Statistics (BJS) in 1987, found that property offenders, high school drop-outs, persons with a history of unemployment, and persons with long arrest records or early first adult arrests were more likely to be rearrested than others.

CDC Parolees Ill-Equipped for Life After Prison. The majority of CDC inmates share the characteristics of likely recidivists identified in the BJS study. Consistent with these characteristics, a general profile of California inmates suggests that many are not well-equipped to succeed when they re-enter the community. Specifically, the majority of CDC inmates lack a high school diploma, read below the ninth grade level, and lack marketable skills or job experience.

Substance Abuse a Widespread Problem. In addition to the above problems, available data indicate that chronic substance abuse plays a major role both in the large number of technical parole violations committed and in the commission of new crimes by former inmates. In 1986, the CDC reported that 80 percent of its parolees had a history of narcotics use.

Currently, the Parole Division requires about half of the parole population to be regularly tested for drug or alcohol use as a condition of parole. The Parole Division requires such tests because addicted substance abusers are likely to support their habits by committing property crimes or selling drugs, and because some parolees also are more likely to commit other offenses, such as assault, when intoxicated with drugs or alcohol. Because of this frequent testing, a large number of drug- or alcohol-related violations are discovered each year. The BPT reports that in 1987 drug or alcohol violations were a factor in more than half of all parole revocations, regardless of the principal charge. About 20 percent of all parole violators returned to prison by the BPT had their parole revoked on drug- or alcohol-related charges alone.

In the discussion that follows, we suggest several options the Legislature could consider to address the recidivism problem.

Additional Efforts Needed to Reduce Recidivism

We recommend the adoption of supplemental report language directing the department to prepare a report evaluating options for reducing inmate recidivism.

The CDC currently operates a number of programs, both within the institutions and in the community, aimed at improving its inmates' success in the community after release from prison. Although few data are currently available to show whether any one of these programs is effective, the increasingly high recidivism rates of inmates as a group demonstrate that there is room for improvement in the department's overall approach. Even though research on recidivism generally suggests that *dramatic* improvements may be difficult to measure or achieve, reductions in the number of inmates returning to prison are worth pursuing, in our judgment, given the implications of recidivism for the CDC, local law enforcement and courts, and public safety.

The discussion that follows is intended to suggest several options that the department could explore further for possible implementation. A recent RAND study has suggested that background factors do not always

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accurately predict recidivism; rather, the RAND study hypothesizes that the quality of an individual's experience on parole may be decisive in some cases. Accordingly, we focus here on options to improve parole supervision and services, as well as basic inmate preparation.

Improve Basic Inmate Preparation. All institutions provide education and vocational training programs for inmates, while some provide special programs to prepare inmates for release from prison. Despite the availability of these programs, however, our review suggests that many inmates in need of education or training may not participate. For example, CDC staff indicate that some inmates do not participate in education programs because such participation precludes their involvement in work programs. Moreover, work programs are the only way to earn money within the institution. To ensure their participation, the department could consider implementing policies limiting participation in paid work programs until particular literacy levels are met.

The department could also consider making participation in certain programs, such as pre-release preparation, mandatory.

Improve Parole Services and Supervision in the Community. The objectives of parole supervision is to assist inmates in a successful reentry into society, while protecting public safety. While under parole supervision, parolees may receive employment and housing assistance, counseling, drug treatment, and limited financial assistance. In addition, the Parole Division recently implemented a new intensive supervision program for substance-abusing parolees (referred to as the Substance Abuse Revocation Diversion program) and a 90-day residential program for substance abusers. The purpose of these programs is to address the growing number of parolees who are at risk of returning to prison because of problems with substance abuse. These new programs appear promising in concept, but only reach a small proportion of the parolees who might benefit from them, and their results are still unknown.

Notwithstanding these services, the department has not been able to prevent a rapid increase in the number of parole violators referred for revocation, nor has it been able to decrease the number of new felony convictions among former inmates while on parole or afterwards. Our review suggests that there are several options for services and supervision available to the department which may reduce the number of parolees who return to prison. Some options that the department could explore include the following:

1. Modify parole supervision to increase direct contacts with parolees. Data provided by the department indicate that as the parole population has grown, parole agent hiring has not kept pace with the increase. Discussions with parole agents and other department staff suggest that as a consequence, the amount of time parole agents are able to devote to each parolee assigned to them has decreased.

Preliminary findings of a study conducted by the National Council on Crime and Delinquency (NCCD) comparing parole success rates among different CDC parole unit offices found that those with the highest number of face-to-face visits had the lowest rates of parole revocation. To the extent that the NCCD's preliminary findings are borne out in its final report, the department could consider modifying its system of parole supervision to place more priority on face-to-face visits and increasing the

amount of time parole agents have to work with parolees at risk of violation.

Potentially, such a modification would require increased expenditures for staff. However, our review suggests that the department might be able to increase face-to-face contact between parole agents and parolees without incurring additional costs. This could occur to the extent that the department is able to improve its ability to fill the parole agent positions already authorized in the budget. The department indicates that there is currently a three-to-five-month lag time in establishing and filling parole agent positions. Because of this lag time, existing staff carry parolee caseloads that are higher than the budgeted level. To the extent that the department can expedite parole agent hiring, a reduction in parole agent caseloads could be achieved without additional expense.

2. Secure additional drug treatment slots. As discussed above, a majority of persons released from prison have a history of narcotics or alcohol abuse. The CDC data indicate that many parolees use cocaine, heroin, methamphetamine, and other drugs, often in combination. While some funds are available for drug treatment through existing parole programs, and certain types of treatment are available to parolees through parole outpatient clinics, field staff indicate that more community treatment slots for parolees are needed. While few conclusive data are available on the accessibility of drug treatment programs for former inmates, data compiled by the Department of Alcohol and Drug Programs tend to confirm these observations for the general population. Specifically, there are significant numbers of people on waiting lists or being turned away from drug treatment programs around the state, particularly for outpatient programs.

Research suggests that treatment programs that reduce participants' involvement in drug use are likely to result in a reduction in criminal activity. For example, recent studies conducted at UCLA on the relationship between heroin use and involvement in property crime indicate that the rate and severity of criminal activity is clearly reduced during periods when a person is involved in methadone treatment. Treatment methods for addiction to some of the drugs frequently used by parolees are less well-established than for heroin. However, there is reason to believe that reduced criminal activity could be expected if additional treatment slots were available for parolees.

3. Expand M-2 Sponsors program to parolees. The M-2 Sponsors program matches inmates in CDC institutions who request sponsorship with volunteers who provide friendship, written correspondence, and other assistance. An evaluation of the program conducted by EMT Associates in 1987 indicated that male inmate participants who received M-2 visits had significantly greater success rates on parole than a control group of similar inmates who had requested, but did not receive, sponsorship.

The evaluation reported agreement among all involved in the program that increased support in parolees' home communities would be desirable. The CDC advises that at present, no formal program is in place to continue such sponsorship of inmates once released from prison. It could be more difficult to initiate such a program for persons on parole than for inmates in prison. However, development of such a program for persons on parole merits consideration in light of the positive results that appear to have been gained for inmates who received sponsorship within the

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institutions. Some additional resources would be needed to expand the program, but the amount would be modest because the sponsors who provide services and support to participants are volunteers.

4. Base future expansion of community bed program on evaluation of results. One component of the CDC's effort to reduce recidivism is its community bed program. This program is intended to ease inmates' transition into community life and to provide specialized programs for parole violators who serve their parole revocation sentences in secure facilities in the community. Despite long-term plans to considerably expand the number of persons in these programs, the department currently does not systematically collect data to determine what impact, if any, these programs have on participants' future success.

We understand that *conclusive* evidence that such programs improve participants' recidivism rates may be difficult to develop. For example, it may be difficult to identify suitable control groups for use in conducting an evaluation. Nonetheless, any follow-up data on the recidivism rates of participants in community bed programs (for example, inmates in work furlough facilities, or parole violators in privately-operated return-to-custody facilities) would be useful in providing a base of information for future decision-making. Such information is particularly needed in light of the department's stated intention to expand these programs in the future, and in light of the programs' cost, which in most cases exceeds the cost of continuing to house inmates or parole violators in institutions.

Analyst's Recommendation. The number of parole violators and repeat offenders being returned to prison has increased rapidly in recent years, and has had a major impact on CDC costs. In addition, the problem of recidivism has serious implications for other criminal justice agencies and for public safety. Although the CDC currently operates a number of programs to reduce inmate recidivism, both within the institutions and in the community, current high recidivism rates suggest that further efforts are needed.

In order for the Legislature to assess the adequacy of the department's efforts to reduce recidivism, we recommend that the Department of Corrections prepare and submit to the Legislature a report that evaluates the potential for reducing inmate recidivism through the use of options such as those discussed above. Accordingly, we recommend that the Legislature adopt the following supplemental report language:

The Department of Corrections shall submit to the legislative fiscal committees and the Joint Legislative Budget Committee by February 1, 1990 a report which discusses the following: (1) the costs and benefits of implementing various options to reduce recidivism, both in its institutions and parole programs, including those discussed in the *Analysis of the 1989-90 Budget Bill*, and (2) the feasibility and utility of conducting evaluations of the benefits of existing CDC programs in reducing recidivism.

Expansion of Community Bed Program at a Standstill

We recommend that the department report during budget hearings on its goals and objectives for expansion of the community-based bed program.

The CDC's community bed program provides housing, food, and specialized programs in small facilities throughout the state for inmates on work furlough, parolees with substance abuse problems, prisoner

mothers with small children, and parole violators who are serving parole revocation sentences in secure facilities in the community. Currently, most of the facilities housing these inmates and parole violators are operated by private providers under contract with the state.

Requested Plan for Expansion Still Not Received. The 1988-89 Governor's Budget requested an increase of \$18.4 million to contract for 1,221 more beds in the community bed program. The Legislature approved this request.

In our analysis of this request (please see page 750 of the *Analysis of the 1988-89 Budget Bill*), we noted that the department's progress in achieving its proposed expansion of the program had been erratic over the past five years, and that contract costs for comparable facilities appeared to vary considerably. In addition, the department did not provide a long-term plan for expansion of the program along with its proposal. For these reasons, we recommended that the department provide a plan prior to budget hearings specifying (1) how many beds of each type the department intended to make available by 1991; (2) how the department determined the need for these beds; (3) how the department determined acceptable bed costs for a particular facility; and (4) how the department proposed to evaluate the success of its various community bed programs.

The department agreed to submit the requested plan, but was unable to provide it in time for hearings on the 1988-89 budget. Roughly eight months later, at the time this analysis was prepared, the department advised that the plan was near completion, but was not yet ready for submission to the Legislature for review.

Department Cancels and Delays Activation of Community Beds. In a deficiency request for the current year, the department proposes to transfer \$11.6 million in unused funds from the community bed program to the institutions program, to pay for increasing inmate populations. Data provided by the department indicate that these funds are available for transfer as a result of cancellation of 215 of the 1,221 proposed new community beds. Further, the department proposes to delay activation of an additional 900 beds.

No new funds are included in the Governor's Budget for 1989-90 to expand the program, either for *new* contracts with private operators or with cities and counties under the provisions of Ch 1450/87 (SB 1591, Presley).

Department's Ability to Achieve Future Expansion Is Unclear. In its Facilities Master Plan for 1988-89, the CDC indicates that it plans to house 6,370 inmates and parole violators in community beds by 1993, as part of the department's strategy to reduce institutional overcrowding. The Master Plan, however, does not include any details on how these beds are to be obtained, their costs, or when and where these beds will be added. (For a detailed discussion of the Facilities Master Plan, please see our discussion of California's prisons in *The 1989-90 Budget: Perspectives and Issues*.)

The current lack of expansion in the community bed program raises questions whether the department's goal to house 6,370 inmates in community beds is realistic. As of January 1989, the department housed 2,100 inmates and parole violators in community beds of all types. During the budget year, the department expects the number of available beds to increase to 2,821, as new facilities that are *already* under contract become

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ready for occupancy. However, in order to meet the goal laid out in the Facilities Master Plan, the department must add *another* 3,500 beds to its program by 1993. Given the department's uneven performance in bringing beds on line thus far, it is not clear how the department will accomplish this, especially since no funds are proposed to add *new* beds in 1989-90.

In light of the department's apparent continued reliance on an expanded community bed program to relieve prison overcrowding in future years, the department should inform the Legislature of its plans for the program. Accordingly, we recommend that the department report during budget hearings on its plans for expansion of the program, as originally requested by the Legislature during its deliberations on the 1988-89 budget, and on how it intends to achieve the 6,370-bed goal set out in the 1988-89 Facilities Master Plan.

Expensive State-Run Work Furlough Beds Going Empty

We recommend a General Fund reduction of \$163,000 to eliminate overbudgeting for community correctional centers (state-operated work furlough facilities) unless the department can demonstrate a significant improvement in the centers' vacancy rate by the time of the May revision. (Reduce Item 5240-001-001 by \$163,000.)

The CDC's work furlough program provides minimum security inmates who are within 90 to 120 days of the end of their sentence the opportunity to seek and maintain employment and to prepare for parole while living in supervised facilities in the community. Currently, most of the facilities that house these inmates are operated by private providers under contract with the CDC. In addition, the department itself directly operates two work furlough facilities, a 105-bed facility in Los Angeles and a 44-bed facility in Sacramento. As of December 1988, there were a total of 1,238 work furlough beds statewide in 34 different facilities.

Occupancy at State-Run Facilities Chronically Low Despite Institutional Overcrowding. Because work furlough inmates are drawn from existing inmate populations in institutions, use of community work furlough beds can help to reduce institutional overcrowding. In recognition of the need to identify and expedite the movement of inmates into the work furlough program more quickly, the CDC established at the beginning of the current year an additional parole agent position specifically for that purpose.

Although the occupancy rate for the Sacramento facility appears to have improved somewhat in the current year as a result of the new position, our analysis indicates that the department has been unable to keep its total state-operated work furlough beds full. This has occurred even though there are extremely high levels of overcrowding in some of the minimum security institutions from which work furlough inmates are drawn. For example, during the first seven months of the current year inmate populations exceeded institutional capacity by *over 200 percent* at the Sierra Conservation Center, which is one of the CDC's primary sources of work furlough inmates. Over the same period, by contrast, the occupancy rate at the Sacramento work furlough facility averaged slightly over 90 percent, and occupancy at the Los Angeles facility averaged only 79 percent, occasionally dropping as low as 66 percent. Further, quarterly data provided by the department indicate that these

work furlough occupancy rates for the Los Angeles facility have varied little since 1984, with it consistently averaging about 20 unused beds.

Data provided by the CDC indicate that in 1988 the department was able to maintain occupancy rates ranging from 90 to 100 percent at its *privately-run* work furlough facilities. In light of this, we believe that the department should be able to manage the flow of inmates to achieve an average 95 percent occupancy standard at its state-run work furlough facilities, taking into account that inmate turnover will result in occasional empty beds.

Unused Beds Impose Unnecessary Costs. In our judgment, the department should pursue all available measures to increase occupancy in its state-run work furlough facilities. Empty beds in these facilities exacerbate prison overcrowding and represent a lost benefit to potential work furlough inmates. In addition, empty beds at the state-run work furlough facilities impose an unnecessary expenditure of funds, because the state continues to pay 100 percent of budgeted staffing and other costs even when occupancy is low. At an average cost of \$59 per day, state work furlough beds cost roughly twice as much as inmate beds in overcrowded institutions, at \$30 per day.

Recommendation. We examined the problem of unused work furlough beds last year in our review of the department's budget proposal for 1988-89. However, because the department was requesting an additional position to address the problem, we made no recommendation at that time, pending results of establishing the new position. As noted above, the department has achieved some improvement in occupancy at the Sacramento facility. However, occupancy at the Los Angeles facility, where most of the state-run work furlough beds are located, has not improved significantly.

In light of the unnecessary expense that these empty beds impose, and in light of the fact that the department has no specific plan to improve the situation at this time, we recommend that the costs of these empty beds below a 95 percent occupancy level be deleted from the department's budget. Accordingly, we recommend that the budget be reduced by a net amount of \$163,000. This reflects elimination of \$361,000 in costs for an average of 18 unused beds at the Los Angeles and Sacramento facilities, offset by an expenditure of \$198,000 to house 18 inmates in institutions. (This offset is necessary because the inmates originally budgeted to be housed in work furlough facilities actually are being housed in institutions instead.) If the department is able to improve occupancy rates significantly by the time of the May budget revision, we will revise our recommendation accordingly.

Additional Staff for Parole Violator Processing Unnecessary

We recommend deletion of 8.0 positions proposed to meet the requirements for parole violator processing at the California Institute for Men (CIM), because the positions have not been justified on a workload basis, for a General Fund savings of \$332,000. (Reduce Item 5240-001-001 by \$332,000.)

The budget proposes \$790,000 from the General Fund in 1989-90 to convert 19 limited-term parole violator processing positions at the CIM to permanent positions. The department advises that this proposal is to address an increase in workload due to a recent court decision, referred to as the *Pittman* decision (San Bernardino County Court; *Robert Dana Pittman vs. The Board of Prison Terms*).

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The *Pittman* decision shortened the time available to process parole violators. Prior to this decision, parole violators who were returned to custody on technical violations of parole were to have a revocation hearing not more than 45 days from the time they were taken into custody. In practice, however, more than 45 days elapsed between the time a parolee was taken into custody and the parole hearing. This resulted in a backlog with some violators waiting 60 days or more for a hearing. In the *Pittman* decision, the court ruled that parole violators must receive a revocation hearing within 30 days, instead of 45 days. In response to the court decision, the department hired 19 additional staff on a limited-term basis. The staff were used to address the existing backlog (that is, cases which exceeded the prior 45-day limit), as well as the new workload requirements that were the result of the *Pittman* decision (that is, have a revocation hearing within 30 days, instead of 45 days). Department staff indicate that the backlog no longer exists and processing time is approximately 30 days.

Based on our review, we conclude that only part of the budget proposal is justified on a workload basis. This is because the 19 temporary positions included staff to address the existing backlog. Since the backlog no longer exists, those staff (eight positions) are no longer necessary. However, our review indicates that 11 positions are justified based on the requirement that the workload be processed within 30 days, instead of 45 days (that is; 50 percent faster), and allowing for the department's projected growth in parole violator population. Therefore, we conclude that the request should be reduced by eight positions, for a savings of \$332,000.

Department Delays Activation of New Prisons

We recommend that, prior to budget hearings, the department report to the Legislature on the programmatic effect of planned activation delays at newly constructed prisons.

The CDC support budgets for the current and budget years are based on the assumption that the department will delay activation of beds in three new prisons. Specifically, the department plans to delay occupancy at Pelican Bay State Prison (Del Norte County) by up to 11 months and the women's prison in Madera County by up to seven months. The department already delayed occupancy for Chuckawalla Valley State Prison (Riverside County) by three months.

These delays reduce the prison system's operational bed capacity by approximately 3,000 beds in the current year and 3,300 beds in the budget year. Delayed occupancy of the above prisons will intensify overcrowding at existing institutions, particularly for the following categories of inmates: (1) Women—all security levels and (2) Men—Level II (medium security) and Level IV (maximum security). The department expects savings (primarily, reduced staff costs) from delayed occupancy of the above prisons. Table 6 shows the original and revised activation dates for these prisons and the department's estimate of resulting savings.

Table 6
Department of Corrections
Savings from Delayed Activation of New Prisons
1988-89 and 1989-90
(dollars in millions)

<i>Prison</i>	<i>Original Activation Date</i>	<i>Revised Activation Date</i>	<i>Estimated Savings</i>	
			<i>1988-89</i>	<i>1989-90</i>
Chuckawalla Valley	August 1988	December 1988	\$3.5	—
Pelican Bay	May 1989	April 1990	12.0	\$19.7
Madera	March 1990	October 1990	—	13.2
Totals			\$15.5	\$32.9

The delayed occupancy of these prisons is not the result of any delays in construction, but rather a strategy for reducing operating costs. This strategy is a departure from the department's prior statements and actions regarding capital outlay funding for new prisons whereby construction was expedited in order to alleviate overcrowding.

We are concerned with the programmatic effects of the intensified overcrowding that will result at existing facilities from the delayed occupancy at the new prisons. For example, women's facilities in the state prison system currently are overcrowded by 193 percent of design bed capacity. If the Madera prison were occupied on schedule (at design bed capacity), we estimate that overcrowding at the existing women's facilities would decline to 156 percent by June 30, 1990, based on CDC's population projection for female inmates. As a result of the planned delay in occupancy, however, overcrowding at existing women's facilities instead will climb to about 229 percent by that date.

In view of the above, we recommend that the department report to the Legislature, prior to budget hearings, on the programmatic effects of the activation delays. Specifically, the department should identify the effects subsequent overcrowding at other prisons will have on CDC's ability to meet program objectives (such as inmate/staff safety, escape risk, inmate employment, academic/vocational education, medical, food services, and other programs). The report also should identify potential programmatic and fiscal effects (operating *and* construction financing) from deferring activation of the new prisons.

Hospital Licensing Achieved

Since 1981, the department has been working to obtain licensure of its prison hospitals at the California Institution for Men (CIM), the California Men's Colony (CMC), and the California Medical Facility (CMF). The CDC has provided periodic reports to the Legislature on the status of its licensure efforts. With the January 1, 1989 licensure of CMF, the department has achieved full licensure for all of the medical programs in its hospitals and expects to license the *psychiatric* hospital at CMF in the current year.

California Institute for Men. The 80-bed facility at CIM was awarded a license as a general acute care hospital on August 20, 1987. In addition, the Department of Health Services granted approval for the hospital to provide outpatient services, dental services, and standby emergency medical services. In addition, the facility was issued a special permit to operate an 18-bed psychiatric unit.

California Men's Colony. The 41-bed facility at CMC was awarded a license as a general acute care hospital on January 1, 1988. The hospital

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also received approval to provide outpatient services, dental services, standby emergency medical services, and physical therapy.

California Medical Facility. The CMF was licensed as a 71-bed acute care hospital on January 1, 1989. At the time this analysis was prepared, the transfer of responsibility for operation of CMF's 150-bed acute care psychiatric hospital, from CDC to the Department of Mental Health (DMH), was almost complete. The psychiatric hospital is not licensed, however, the department estimates that licensure of the psychiatric hospital will occur in April 1989.

Plans for the Budget Year. The department reports that a primary goal for 1989-90 is to implement a new outpatient psychiatric care program. (This proposal is discussed in more detail elsewhere in this analysis.)

Report Needed if Hospital Licensure Status Changes

We recommend the adoption of supplemental report language that directs the department to submit specified reports whenever there is a change in license status.

The state has spent over \$21 million on increased medical and support staffing to achieve hospital licensure. In the *Supplemental Report of the 1988 Budget Act* the Legislature directed the department to report quarterly during 1988-89 on the status of hospital licensure efforts. Because licensure has been achieved for all of the hospital medical programs and the department believes that its hospital psychiatric services will be licensed in the current year, quarterly reports on the department's licensing efforts will no longer be needed in the budget year. However, given the state's investment in licensure, we recommend that the Legislature receive notification and an explanation for any changes in hospital licensure status. Specifically, we recommend that the Legislature adopt the following supplemental report language:

The department shall submit to the legislative fiscal committees, and the Joint Legislative Budget Committee status reports whenever there is a change in any CDC hospital's licensure status including: (1) an explanation of the causes of the change and (2) copies of any licensing surveys of prison hospitals conducted by the Department of Health Services, along with the Department of Corrections' plan of corrections in response to these surveys.

Department Understates the Cost of Its AIDS Segregation Policy

We recommend that the department report during budget hearings on the specific costs and schedule of implementation associated with its management plan for segregating inmates infected with the AIDS virus.

In response to a legislative directive included in the *Supplemental Report of the 1988 Budget Act*, the department issued a report in November 1988 on its AIDS management plan. The report discusses department policies related to management of the population infected with Human Immunodeficiency Virus (HIV) and outlines the department's plan to house HIV infected inmates.

The number of inmates infected with HIV, the virus that causes AIDS, is growing as shown in Chart 3. In addition, the number of inmates with AIDS and AIDS Related Complex (ARC, a series of opportunistic illnesses associated with infection with HIV) is also growing. For example, in 1986 there were 97 inmates identified with HIV and 25 of those had AIDS or

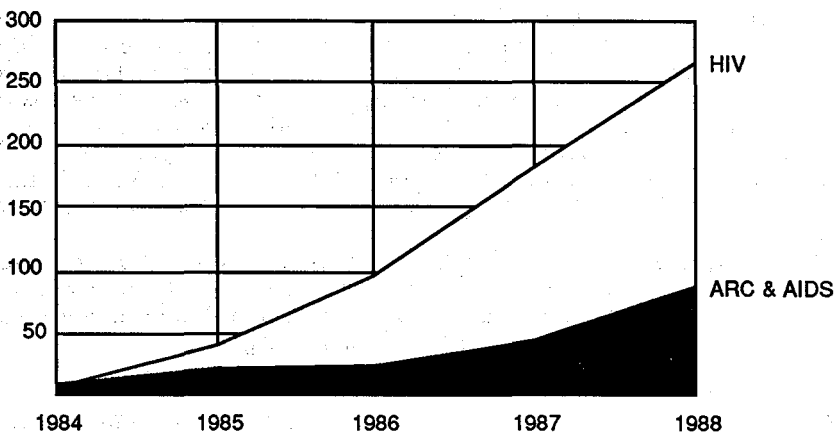
ARC; by 1987 there were 185 inmates infected with HIV and 90 with AIDS or ARC.

The department is unable to provide projections of the size of the affected populations in future years. Staff indicate they are unable to make such projections due to uncertainty related to the effect of Proposition 96 (passed by the electorate at the November 1988 election) and Ch 1579/88 (SB 1913, Presley). Both of these measures require *involuntary* testing for the HIV virus under limited circumstances. Prior to enactment of these measures, testing was done only on a voluntary basis. The department believes it is likely that under these new requirements, they will identify a larger number of inmates infected with HIV.

The report outlines how the department plans to manage HIV-infected inmates. The report indicates that as the population of HIV-infected inmates grows, these inmates will be placed in a series of 500-cell facilities within prisons throughout the state. Basically the facilities would be separate prisons within a main prison. Those inmates assigned to these facilities would be provided with the same programs as any other inmates.

Chart 3

**Cases of HIV, AIDS and ARC in the State's Prisons
1984 through 1988**



The department believes that segregation of the HIV-infected inmates from the rest of the population will limit the spread of the disease, allow more efficient delivery of services to the infected population, and limit assaults and threats. In the 1988-89 *Analysis*, we discussed a series of issues related to this segregation policy, and noted that it may give inmates and

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staff a false sense of security because not all HIV-infected inmates can be identified and segregated, even if a mandatory testing program were implemented.

Among other issues, the *Supplemental Report of the 1988 Budget Act* directed the department to address the fiscal implications of its segregation policy. The department's report addresses this issue briefly, indicating that there would be no additional housing costs associated with the segregation policy. Specifically, as units are converted to segregated housing for HIV-infected inmates, these inmates would displace other inmates who would be housed in existing facilities.

We question the department's assertion that this is a "no cost" policy for two reasons. First, actual experience to date suggests that such a segregation policy may have significant costs. For example, in 1987, CDC established a housing unit at the California Institute for Men (CIM) for HIV infected inmates. At that time, the department requested \$1.2 million from the General Fund for renovation of an existing unit to house the inmates. The department is also proposing an augmentation of \$577,000 in the budget for additional custody positions at CIM. These custody positions are over and above the ratio positions provided for the general populations and are related to the segregation policy. None of these expenditures are clearly identified in the department's AIDS management plan.

Second, the department's plan appears to include two types of expenditures, capital expenditures for plant modifications, and staffing expenditures for operational modifications. Capital expenditures would be incurred because according to the department's management plan, each AIDS housing unit would provide the same level of inmate programs as provided to the general inmate population. There would be varying costs by institution for individual housing units to be provided with all the programs suggested. Staffing costs would be incurred as the department intends to provide search and escort officers above the level provided to general population for the HIV-infected population. The department already has requested such staff in existing AIDS housing units for the budget year. (We question the need for such staffing in this *Analysis*).

Therefore, we recommend the department report during budget hearings on the specific costs and schedule of implementation associated with its management plan. The report should specifically include estimated capital outlay costs and anticipated staffing needs.

Custody Staff at California Institute for Men Not Justified

We recommend deletion of 13 custody positions for the proposed AIDS unit at the California Institution for Men (CIM), because these positions have been budgeted already according to standard staffing formulas, for a General Fund savings of \$577,000. (Reduce Item 5240-001-001 by \$577,000.)

The budget requests \$577,000 from the General Fund to increase staff in the special 180-bed AIDS housing unit at CIM. The amount requested would fund 13 custody staff to perform inmate search and escort functions, as well as receive and release prisoners and/or their property. The 13 custody staff include 11 correctional officers and 2 sergeants.

These same positions were requested for the current year and deleted by the Legislature from the 1988-89 Budget Bill. The department has provided no additional information to justify this proposal and our concerns regarding the requested positions have not changed from the 1988-89 *Analysis*.

Our review indicates that the requested custody staff are not justified because a full complement of custody staff were budgeted for these inmates when they were admitted into the system. Inmates who will be housed in this unit will have been redirected from elsewhere within the CDC system. Simply because these inmates are being reassigned to a special housing unit does not justify an augmentation in custody staff for the system as a whole. The department should reassign staff from throughout the system to maintain the security requirements of the proposed CIM housing unit. Approval of our recommendation would not result in a shortage of staff at other institutions, because the full complement of custody and support staff were budgeted for these inmates when they were admitted into the system.

Medical Staff and Equipment at the California Institution for Women Not Justified

We recommend deletion of two medical technical assistant (MTA) positions and equipment for the AIDS unit at the California Institution for Women (CIW), because these positions and equipment are not justified on a workload basis, for a Cigarette and Tobacco Products Surtax Fund savings of \$111,000 (Reduce Item 5240-001-236 by \$111,000.)

The budget requests four positions and \$191,000 from the Cigarette and Tobacco Products Surtax Fund to increase special medical and psychiatric services for California Institution for Women (CIW) inmates infected with the Human Immunodeficiency Virus (HIV), the virus that causes Acquired Immune Deficiency Syndrome (AIDS). The proposal includes two medical technical assistant (MTA) positions, a registered nurse, a psychiatric social worker and \$14,000 in equipment for an additional examining room. The staff and equipment will serve a population expected to increase from 9 to 21 inmates by June of 1990.

Currently, the CIW does not provide medical care for inmates with AIDS. When an inmate is diagnosed with AIDS and requires medical care, this care is provided by a local hospital.

Of the nine inmates currently identified as HIV-positive, three are diagnosed as having AIDS-Related Complex (ARC). While no inmates have been diagnosed with AIDS, those patients with ARC have medical needs which are greater than those of the general population. The department projects the number of inmates in the unit will more than double to 21 by the end of the budget year. Assuming those inmates with ARC double, there will be six inmates requiring medical care beyond the needs of the general population.

We have two concerns with this request.

- First, the AIDS housing unit at CIW is maintained within a fully staffed and equipped infirmary. Consequently, there does not appear to be any justification for providing additional examining rooms.
- Second, the proposal would result in a richer staffing ratio than in the department's other AIDS housing units. This budget proposal would result in a ratio of one staff to five inmates. However, the staffing ratio for AIDS housing units at CIM is one staff to eight inmates and

DEPARTMENT OF CORRECTIONS—Continued

at CMF it is one medical staff to 11 inmates. According to the department, the housing unit at CIW is already staffed with one MTA. By providing an additional registered nurse for the housing unit, the resulting staff (one MTA and one nurse) to inmate ratio at CIW (1 to 10) will be more closely aligned with those of existing AIDS units in the department. Accordingly, we recommend a reduction of two MTA positions and approval of the registered nurse position.

For these reasons, we recommend the Legislature delete two MTA positions and all the requested equipment (\$14,000) for a savings of \$111,000.

Department Proposes New Outpatient Psychiatric Care Program


We withhold recommendation on the \$3.1 million requested to fund an outpatient psychiatric care unit pending receipt of further details on the proposal.

The department requests \$3.1 million and 83.4 positions to improve and expand existing satellite psychiatric outpatient programs at the California Medical Facility (CMF) and at the California Men's Colony (CMC). The department proposes to fund the proposal entirely with proceeds from the Tobacco Tax and Health Protection Act of 1988 (Proposition 99).

The department's satellite outpatient program is part of a continuum of psychiatric care consisting of three levels: acute psychiatric inpatient care, satellite intermediate outpatient care, and institution mental health units. The inpatient and outpatient programs differ in several respects. Generally, however, the inpatient program is licensed by the Department of Health Services and provides a higher level of care with more staff per patient than the outpatient program.

The acute psychiatric inpatient care services are provided at CMF and the Department of Mental Health State Hospitals. Outpatient care is provided by the department at both CMF and CMC using satellite psychiatric outpatient programs. These satellite programs are located within the prisons and serve the inmate population who do not need acute psychiatric care, but who do need a higher level of care than the general prison population. The institution mental health units are located at prisons that do not have satellite units. They serve general population inmates and inmates whose mental illnesses have stabilized. The department proposes to improve the level of care provided through the existing programs at the satellite units.

Existing Outpatient Care Program. Department staff indicate that existing outpatient psychiatric care programs currently are inadequate. Specifically, they advise that only 25 percent to 50 percent of the prison outpatient population is able to receive group or individual counseling. This is because much medical staff time is used for tasks other than those related to the delivery of patient services. For example, the department states that existing psychiatrists and psychologists are required to perform many evaluations of patients during the year. These evaluations include: Board of Prison Terms ordered evaluations, court ordered evaluations, and evaluations associated with the mentally disordered offender program. These evaluations decrease the availability of medical staff to provide patient services



The department indicates that, because of the lack of time to provide needed patient services, the population of mentally ill inmates fluctuates between acute psychotic episodes and brief periods of remission. The department states that this situation causes excessive reliance on expensive acute care beds.

Proposed Outpatient Care Program. The department proposes to expand the satellite programs at CMF and CMC by providing four levels of care:

- **Short-Term Crisis.** This level of care will provide short-term care for severely mentally ill inmates who are no longer stable or who are moving between CDC facilities. The department proposes an inmate-staff ratio of a little over five to one for this unit.
- **Long-Term Intensive Rehabilitation.** This will serve inmates with chronic and/or persistent disorders and is the most restrictive long-term alternative. Typically, these inmates display unremitting psychotic and self-destructive or aggressive behaviors. The department proposes among other services, long term group and individual therapy, socialization training and intensive nursing supervision. The department proposes inmate-staff ratios of approximately 19 to 1 for this unit.
- **Intermediate Care.** This level of care will serve inmates with long-term needs that cannot function in the general population but who do not require the same level of restriction as the intensive rehabilitation inmate. Patients will stay an estimated six to eight months. The department proposes inmate-staff ratios of approximately 19 to 1.
- **Day Treatment.** This will serve inmates who have difficulty functioning in the general population and who need a structured program for part or all of the day. Services proposed for this group include individualized treatment programs, and vocational and rehabilitative training. Inmates in the programs will stay approximately six to eight months. The department proposes inmate-staff ratios of 19 to 1.

In order to implement the programs described above, the department proposes a staffing increase of 83.4 positions. Of this increase, 44.4 positions will augment the existing staff at CMF. This will provide a total of 86.1 staff to address outpatient care at CMF. The existing staff at CMC will be augmented by 39 positions, allowing 102 total outpatient staff.

The department states that its proposal will address the problem of inadequate outpatient care outside the acute care facility. Specifically, by providing additional psychiatric services to the inmate population, signs of inmate destabilization will be recognized earlier. The department advises that, with additional staff, early intervention will be possible and will allow treatment without requiring admission to the acute care facility.

Recommendation. Our analysis indicates that increasing the level of outpatient services has merit. While the department has provided a general concept, there are a number of uncertainties regarding how it will work in practice. The problems we identify fall into three general areas. First, it is not clear what the relationship will be between the existing DMH programs and the satellite units. The satellite program descriptions are very similar to descriptions of levels of inpatient mental health treatment, not "outpatient" services.

DEPARTMENT OF CORRECTIONS—Continued

Second, it is not clear that the CDC will be able to provide the level of care described with the staffing levels proposed. Third, the CDC was unable to provide many details about the proposal, such as the number of beds involved. Accordingly, we recommend that the department, in consultation with the Department of Mental Health, report to the Legislature, prior to budget hearings, on the following issues:

- Relationship to DMH Programs—How will the programs operated by the CDC differ from the DMH programs? How will the populations served differ? How will the satellite units interface with inpatient programs operated by the DMH?
- Service Levels—What specific levels of services will be provided? What systems will be in place to measure program accountability for delivering treatment services? How will staffing levels actually translate to the type of treatment described in the budget change proposal?
- Logistics—How many special housing units will there be? Which units will be used for this purpose? How many beds will there be? Will there be any capital outlay costs or special custody needs for the special units?

Mentally Disordered Offender Program Ruled Unconstitutional

The mentally disordered offender (MDO) program, which was established by Ch 1419/85 (SB 1296, McCorquodale), provides that inmates with severe mental disorders shall be treated by the Department of Mental Health (DMH) after their release from prison. Once the CDC and the DMH determine that an inmate meets specified criteria, the Board of Prison Terms (BPT) may order an inmate to participate in the program as a condition of parole. This program became effective on July 1, 1986.

On February 2, 1989, the California Supreme Court upheld an appellate court decision that the MDO statute was unconstitutional. Because of the timing of the ruling, however, the proposed budget does not reflect the fiscal impact of this decision on the agencies involved in the program. In our analysis of the DMH budget (Item 4440), we discuss the court ruling, and recommend that the CDC, BPT, and DMH report prior to budget hearings on issues related to the ruling. We will advise the Legislature of the specific implications of the court ruling on CDC's workload and budget as soon as this information is available.

Additional Information Needed Regarding Review of Prison Construction Claims

We withhold recommendation on \$3 million requested in Item 5240-001-747 to provide for review and analysis of construction claims pending receipt of further information from the department.

The CDC has requested \$5.5 million in the current year (as a deficiency expenditure) and \$3 million in the budget year from prison bond funds to provide for review and analysis of claims filed against the state by contractors on prison construction projects. These claims have been filed by construction contractors for a variety of reasons including claims for construction costs due to delays caused by weather, errors in architectural documents, disputes over the value of change orders and claims that poor coordination on the part of the state caused scheduling

delays and increased costs. The department indicates that the funds will be used to hire various experts to assist in the state's resolution of these construction claims.

In the documentation provided for this request, the department estimated that there were approximately \$82 million in pending claims. Assuming claims equal 10 percent of contract value, an additional \$18 million could be expected to be filed at the Pelican Bay and San Diego projects, for a total of pending/projected claims of *\$100 million*. This level of claims is contrary to information CDC recently sent to the Legislature. In November 1988, CDC sent the Legislature a quarterly report stating that pending construction claims on prison projects totaled \$38.8 million. At the time this analysis was prepared, CDC staff were unable to explain how the amount of claims could have changed so dramatically between November 1988 and January 1989.

We agree that the department should properly assess and resolve these claims. We are concerned, however, that the amount of claims is a symptom of a much larger administrative problem. To the extent that such a problem exists, simply providing the wherewithal to address the claims is a short-term solution to what is proving to be a long-term and expensive problem.

In our analysis of the department's capital outlay budget, we discuss the claims situation in further detail and recommend that the department provide the following information to the Legislature: (1) an explanation of why contractor claims on new prison projects are now anticipated to be at least \$82 million, (2) an explanation of why steps previously taken to reduce the incidence of claims have been unsuccessful, (3) identification of the steps CDC plans to take in order to correct these problems, and (4) an identification of the funding sources that are available to pay the claims.

Until CDC provides this information and the Legislature has an opportunity to review the department's response, we withhold recommendation on the request for additional claims review staff.

Increased Personnel Staff Not Justified

We recommend a reduction of eight positions proposed for delegated personnel testing activities, because the staffing level proposed is not necessary, for a General Fund savings of \$235,000. (Reduce Item 5240-001-001 by \$235,000.)

The department requests \$682,000 from the General Fund to support 24 positions to conduct the department's personnel testing function. The proposed positions include 21 personnel technicians, 2 staff services analysts, and an office assistant. Each institution will receive one additional personnel technician, and the three remaining staff would be located in the central headquarters of CDC.

The department indicates that additional personnel staff are required for two reasons. First, the headquarters staff are necessary to absorb the additional workload due to a recent change in the State Personnel Board's delegated testing policy. The change transferred testing responsibility for *additional* job classifications to the department. Second, there is a need for expertise at the institution level to facilitate local testing and hiring of staff.

Based on our review, we conclude that the request for headquarters staff is justified. Many of the institutions have similar positions, such as

DEPARTMENT OF CORRECTIONS—Continued

correctional officers, that are hired and promoted in large numbers. The department currently conducts regional testing for these classifications. Increased personnel staff at headquarters will allow the department to continue and expand the existing regional testing programs as the number of institutions and staff grow. Thus, this increased headquarters staff will provide support to all the institutions throughout the state.

However, it does not appear that the entire proposed staffing level of 21 positions at the institutions is necessary. Currently, institutions test and hire locally for positions that are specific to the institution or are difficult to hire on a regional basis (such as physicians or electricians). In our judgment, the institutions need access to the expertise offered by a personnel technician when performing this function. However, we question whether each institution needs a full-time personnel technician. Specifically, our review suggests that the specialized workload that will be addressed by the personnel technician could be shared between institutions that are geographically near each other. For instance, institutions such as Deuel Vocational Institute and the Northern California Women's Facility, which are very near to each other, could share a technician. In addition, the California Institution for Men and the California Institution for Women (San Bernardino County), as well as the California Rehabilitation Center (Riverside County), hire from the same local applicant pool. These institutions also could share a personnel technician. As a result of such sharing arrangements, we estimate the department could save six positions. In addition, the request includes funding for two personnel technicians for the California State Prisons at Madera and Los Angeles, which will not be activated in the budget year.

Accordingly, we recommend a reduction of \$235,000 and eight of the requested personnel technician positions.

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

Item 5430 from the General
Fund and various special
funds

Budget p. YAC 38

Requested 1989-90	\$238,377,000
Estimated 1988-89	202,947,000
Actual 1987-88	148,755,000
Requested increase (excluding amount for salary increases) \$35,430,000 (+18 percent)	
Total recommended reduction	None

1989-90 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5430-001-001—Support	General	\$528,000
5430-001-170—Support	Corrections Training	1,842,000
5430-001-796—Support	County Jail Capital Expenditure, Bond Act of 1988	416,000
5430-001-711—Support	County Jail Capital Expenditure, Bond Act of 1986	1,707,000
5430-101-170—Local assistance	Corrections Training	12,774,000
Total, Budget Bill Appropriations		(\$17,267,000)
Continuous appropriation—Local assistance	County Jail Capital Expenditure, Bond Act of 1981	32,532,000
Continuous appropriation—Local assistance	County Jail Capital Expenditure, Bond Act of 1984	48,517,000
Continuous appropriation—Local assistance	County Correctional Facility Capital Expenditure, Bond Act of 1986	140,061,000
Total, State Funds		\$238,377,000

GENERAL PROGRAM STATEMENT

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

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

2. Awards grants from bond revenues to counties for the construction and remodeling of county jail facilities; and

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

The board has 41 personnel-years in the current year.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

The budget proposes appropriations totaling approximately \$238 million from various state funds to support the Board of Corrections in 1989-90. Of this amount, only \$17 million is proposed from appropriations in the Budget Bill. The remaining \$221 million consists of bond fund revenues that are proposed for expenditure from continuous statutory appropriations.

The total budget request represents an increase of \$35.4 million, or 18 percent, above estimated current-year expenditures. Nearly all of this increase is in expenditures of bond proceeds for the County Jail Construction program. These expenditures fluctuate from year to year depending on the cash flow needs of counties for their construction activities. The projected increase for the budget year reflects, in part, an increase in expenditures by counties that are now involved in construction projects funded by the bond acts of 1984 and 1986.

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

BOARD OF CORRECTIONS—Continued

Table 1
Board of Corrections
Budget Summary
1987-88 through 1989-90
(dollars in thousands)

<i>Program</i>	<i>Actual</i> <i>1987-88</i>	<i>Est.</i> <i>1988-89</i>	<i>Prop.</i> <i>1989-90</i>	<i>Percent</i> <i>Change</i> <i>From</i> <i>1988-89</i>
Standards for detention facilities	\$483	\$504	\$528	4.8%
Standards and training	12,611	14,549	14,616	0.5
Administration	(1,599)	(1,775)	(1,842)	3.8
Local assistance	(11,012)	(12,774)	(12,774)	—
Jail construction finance	135,661	187,894	223,233	18.8
Administration	(1,438)	(1,751)	(2,123)	21.0
Local assistance	(134,223)	(186,143)	(221,110)	18.8
Totals, Expenditures	\$148,755	\$202,947	\$238,377	17.5%
Funding Sources				
General Fund	\$483	\$504	\$528	2.0%
Corrections Training Fund	12,611	14,549	14,616	0.5
County Jail Capital Expenditure Fund Bond Act of 1981	21,673	81,385	32,532	-60.0
County Jail Capital Expenditure Fund Bond Act of 1984	107,200	23,514	48,517	106.3
County Correctional Facility Capital Expendi- ture Fund Bond Act of 1986	6,788	82,995	141,768	70.8
County Correctional Facility Capital Expendi- ture Fund Bond Act of 1988	—	—	416	— ^a
Personnel-Years	36.1	41.0	49.1	19.8%

^a Not a meaningful figure.

Voters Approve Additional Bond Funds for County Jails

In November 1988, the voters approved Proposition 86, which provides for issuance of \$410 million in bonds for construction, renovation, and maintenance of county adult correctional facilities. With passage of this act, the total amount of jail construction bond funds administered by the Board of Corrections has increased to nearly \$1.5 billion.

The board estimates that approximately 40 counties will receive funding from the new bond measure. The board anticipates that the allocation of funds among the counties will be established in legislation that will be introduced in the current year. Based on its experience in administering funds from previous jail construction bond acts, the board suggests that funds from Proposition 86 would be available for disbursement to the counties beginning about January 1, 1990 and that disbursements would continue until the late 1990s. The board proposes expenditures of \$416,000 from the County Correctional Facility Capital Expenditure Bond Act of 1988 for six positions needed to implement the bond act. Our analysis indicates that the request is reasonable.

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

Item 5440 from the General
Fund

Budget p. YAC 45

Requested 1989-90	\$12,280,000
Estimated 1988-89	10,430,000
Actual 1987-88	9,413,000
Requested increase (excluding amount for salary increases) \$1,850,000 (+18 percent)	
Total recommended reduction	246,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Deputy Commissioner Staff. Reduce Item 5440-001-001 by \$246,000.* Recommend reduction of 2.2 positions, because the staff are not needed on a workload basis. 668
2. Parole revocation rates. Recommend board report during budget hearings on the feasibility of coordinating with the Department of Corrections to identify ways to reduce number of parole violators returned to custody. 669

GENERAL PROGRAM STATEMENT

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

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

The board has 140.1 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes an appropriation of \$12.3 million from the General Fund for support of the BPT in 1989-90. As shown in Table 1, this is an increase of \$1.9 million, or 18 percent, over estimated current-year expenditures. The proposed augmentation reflects increased workload for parole and parole revocation hearings and death penalty reviews, as well as various other workload and cost increases.

BOARD OF PRISON TERMS—Continued

Table 1
Board of Prison Terms
Budget Summary
1987-88 through 1989-90
(dollars in thousands)

	<i>Actual</i> 1987-88	<i>Est.</i> 1988-89	<i>Prop.</i> 1989-90	<i>Change</i> From 1988-89 Percent
Expenditures	\$9,413	\$10,430	\$12,280	17.7%
Personnel-years	118.4	140.1	152.4	8.8

Expenditures shown in Table 1 for the current year include a deficiency request of \$423,000 from the General Fund to meet an expanded workload resulting from an increase in parole revocation hearings and death penalty investigations. This augmentation is comprised of (1) \$279,000 to support 5.9 additional hearing officer and clerical support staff to address parole revocation hearing workload; and (2) \$144,000 to support 4.0 additional positions and operating expenses to investigate death penalty cases affirmed by the Supreme Court in order to advise the Governor regarding clemency.

ANALYSIS AND RECOMMENDATIONS**Need for Additional Deputy Commissioners Is Overstated**

We recommend a reduction of 2.2 deputy commissioner positions proposed to address increased parole revocation hearing workload, because the board has overestimated the need for additional staff, for a General Fund savings of \$246,000. (Reduce Item 5440-001-001 by \$246,000.)

The budget proposes expenditures totaling \$12.3 million for 1989-90. This amount includes an increase of \$1.4 million for 12.2 deputy commissioners and 2.0 clerical staff to address growth in parole revocation hearing workload. In the current year, the board is authorized 51.5 deputy commissioner positions to address this workload. The request thus proposes a *24 percent increase* in deputy commissioner staffing in one year, following on a 12 percent increase approved in the 1988 Budget Act.

Parole revocation is one of the primary responsibilities of the BPT. When a person paroled from state prison is charged with a violation of parole, the Department of Corrections' (CDC) Parole Division may refer the parolee to the BPT for a parole revocation hearing. At the hearing, a panel of two deputy commissioners hears the case and determines whether to revoke the person's parole status and return him or her to state prison for a period of up to 12 months.

Growth in parole population driving growth in revocation hearing workload. Primarily as a consequence of the growth in prison population, the number of persons on parole is increasing dramatically. Correspondingly, the number of parole violators is also increasing, although at an even higher rate, as we discuss in our analysis of the CDC's budget (please see our analysis of Item 5240). In 1987-88, 32,587 parolees were returned to custody for violations of parole. This figure was approximately equal to 80 percent of the average daily parole population. In justifying its request for additional staff, the BPT assumes that this high rate of revocation will continue through 1989-90, and therefore that the

board's revocation hearing workload will increase in direct proportion to the parole population increase.

Workload reduction from new CDC parole supervision program not taken into account. Although the BPT's hearing workload *is* growing rapidly, our analysis indicates that the BPT's estimate of the increase in workload is overstated, because the board has overlooked recent changes in CDC practice that will moderate the rate of referral for parole revocation (and thus the number of hearings needed) in the budget year. The BPT has not taken into account CDC's estimates that it will be referring fewer parolees to the board for revocation as a result of its new Substance Abuse Revocation Diversion (SARD) program, which places substance-abusing parolees under intensive supervision to reduce the likelihood that they will fail on parole and be returned to custody. Based on CDC projections that nearly 14 percent of the parolees in the program will be diverted from revocation as a result of their participation, we estimate that the program will achieve a 2.6 percent reduction in the total number of parole revocations in the budget year.

The CDC has incorporated a reduction in incarceration costs into its own budget request to reflect the reduction in the number of parole violators who will be in prison in 1989-90 as a result of the SARD program. Given that the CDC has budgeted for these savings, in our judgment it is appropriate that the BPT also acknowledge the reduction in the number of revocation hearings it must conduct and make the corresponding budget adjustment.

Projected increase includes excessive salary savings. In addition, the board's request is overstated because it incorporates salary savings in excess of the 7.5 percent level budgeted for the board as a whole. In light of the productivity levels established by the board's deputy commissioners in 1987-88, our analysis indicates that an increase of 10 positions, rather than the 12.2 positions requested, would allow the board to meet the projected workload increase and still achieve the budgeted 7.5 percent salary savings level.

Recommendation. In recognition of the board's increasing parole revocation hearing workload, we recommend that 10 of the 12.2 deputy commissioner positions requested be approved. However, in order to reflect the workload reduction resulting from the SARD program, the productivity levels established in 1987-88, and the appropriate level of salary savings, we recommend that the remaining 2.2 positions be deleted, for a General Fund savings of \$246,000.

The BPT Practices Increase Department of Corrections Costs and Vice Versa

We recommend that the Board of Prison Terms report during budget hearings on the feasibility of coordinating efforts with the Department of Corrections to identify ways of reducing the number of parolees that must be returned to custody in the future.

The BPT's budget proposal continues the trend whereby the board's expenditures have grown rapidly in recent years. As noted above, the Governor's Budget proposes an 18 percent increase in General Fund support for the Board of Prison Terms in 1989-90, for a total of \$12.3 million. This is twice the amount budgeted for the board in 1983-84. Most of the increase in the board's budget is directly attributable to the rapid growth in state prison and parole populations, which in turn increases the

BOARD OF PRISON TERMS—Continued

board's workload for life prisoner hearings and parole revocation hearings. In fact, the number of parolees referred to the board for a parole revocation hearing has risen much more rapidly than the board's costs, suggesting that the board has been able to achieve operating efficiencies that have limited its need for additional hearing staff and related expenses.

The CDC referrals of parole violators increase BPT costs. As we note in our discussion of the CDC's budget (please see Item 5240), the number of parole violators referred to the board for a revocation hearing is partly a matter of CDC discretion, because there are some types of parole violations that the CDC is not required to report to the board. Thus the increase in the BPT's hearing workload is partly a consequence of CDC *policy* decisions that result in the referral of increasing numbers of parolees to the board. (The CDC's intensive supervision program, described above, represents an effort to reverse this trend for a particular group of parolees.)

Effect of BPT actions on CDC budget. At the same time, the actions that the BPT takes on revocation referrals have a major impact on the prison population and incarceration costs. We estimate that parole violators returned to custody by the BPT in 1987-88 added about \$100 million to the cost of operating the CDC. Because the volume of parole violators is so large, however, even modest changes in BPT practice can have significant fiscal benefits. As an example, the board recently implemented sentencing guidelines for its deputy commissioners to follow in determining the length of time parole violators should be sentenced to serve on parole revocation. Early results indicate that since these guidelines have been in use, the average parole revocation sentence has declined from 7.14 months to 6.78 months, or a difference of about 10 days. We estimate that this relatively small reduction, if it continues in the future, could generate General Fund savings of approximately \$6 million or more annually in incarceration costs.

Analyst's recommendation. In our judgment, the board deserves credit for developing and implementing these sentencing guidelines. However, in view of the continuing high rates of revocation, the related increase in BPT workload, and the increasing funds devoted to incarcerating parole violators, further efforts are needed to address the parole revocation problem. Since both BPT and CDC practices and policies affect the rate of revocation, and since the revocation process affects the workload and budgets of both departments, it is appropriate that the board and the CDC work together to jointly develop approaches to the problem. Accordingly, we recommend that the BPT report to the Legislature during budget hearings on the feasibility of working with the Department of Corrections to identify ways to reduce the number of parolees that must be returned to custody in the future.

Mentally Disordered Offender (MDO) Program Ruled Unconstitutional

The mentally disordered offender (MDO) program, which was established by Ch 1419/85 (SB 1296, McCorquodale), provides that inmates with severe mental disorders shall be treated by the Department of Mental Health (DMH) after their release from prison. Once the CDC and the DMH determine that an inmate meets specified criteria, the BPT

may order an inmate to participate in the program as a condition of parole. This program became effective on July 1, 1986.

On February 2, 1989, the California Supreme Court upheld an appellate court decision that the MDO statute was unconstitutional. Because of the timing of the ruling, however, the proposed budget does not reflect the fiscal impact of this decision on the agencies involved in the program. In our analysis of the DMH budget (Item 4440), we discuss the court ruling, and recommend that the BPT, CDC, and DMH report prior to budget hearings on issues related to the ruling. We will advise the Legislature of the specific implications of the court ruling on the BPT's workload and budget as soon as this information is available.

Youth and Adult Correctional Agency YOUTHFUL OFFENDER PAROLE BOARD

Item 5450 from the General
Fund

Budget p. YAC 47

Requested 1989-90	\$3,135,000
Estimated 1988-89	3,006,000
Actual 1987-88	2,790,000
Requested increase (excluding amount for salary increases) \$129,000 (+4.3 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. We recommend that the Youthful Offender Parole Board provide to the Legislature, prior to budget hearings, the justification regarding those parole consideration dates that were set in excess of the established guidelines, as required by the *Supplemental Report of the 1988 Budget Act*.

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GENERAL PROGRAM STATEMENT

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

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

The board has seven members who are appointed by the Governor and confirmed by the Senate. It has 39.4 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes an appropriation of \$3.1 million from the General Fund for support of the YOPB in 1989-90. This is \$129,000, or 4.3 percent, over estimated expenditures in the current year.

YOUTHFUL OFFENDER PAROLE BOARD—Continued

This amount reflects an increase of \$139,000 in personal services which primarily is due to the full year-costs of salary increases provided in the current year. This increase partially is offset by a \$10,000 decrease in operating expenses and equipment.

ANALYSIS AND RECOMMENDATIONS**Legislative Oversight**

We recommend that the Youthful Offender Parole Board report to the fiscal committees prior to budget hearings regarding the status of the quarterly reports on parole consideration dates that are required by the Supplemental Report of the 1988 Budget Act.

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

Legislative Interest in YOPB Decisions. Last year we noted that the YOPB had been establishing PCDs for Youth Authority wards that exceed the board's own guidelines by an average of three months per ward during the previous fiscal year. These actions had significant fiscal implications for the state due to the resulting increase in the population of the Youth Authority. The Youth Authority estimates that every one month increase in the average length-of-stay results in the need for an additional 400 institutional beds at an annual support cost of about \$10 million.

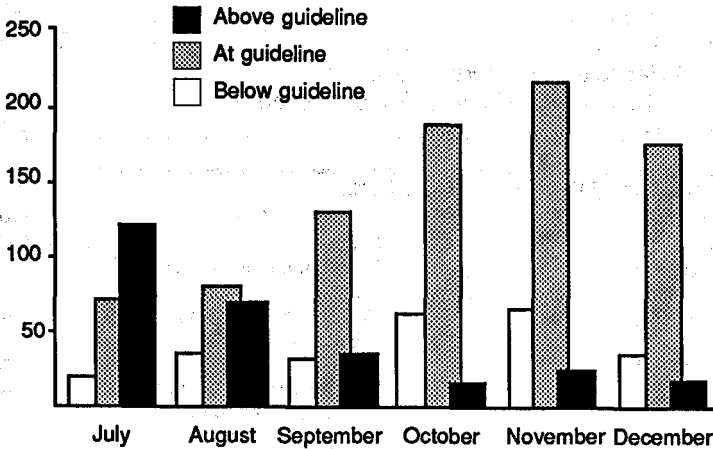
In response to the increasing Youth Authority population, the Legislature over the last three years has attempted to gain some oversight over those board actions that have an impact on state finances. For example, the Legislature attempted, through provisions in the 1986 Budget Act and legislation introduced in 1987 (AB 683, Vasconcellos), to gain review authority over changes in board policy that would affect the growth of the Youth Authority's population. Both of these attempts, however, were vetoed by the Governor. Furthermore, in the *Supplemental Report of the 1988 Budget Act* the Legislature directed the YOPB to establish PCDs at all initial appearances that, on average, do not exceed the prescribed parole consideration date intervals for the appropriate category of offense, as established in administrative regulations. The supplemental report language further stipulated that the YOPB was to provide quarterly reports to the Legislature justifying the establishment of any and all PCDs that exceed the prescribed intervals.

Recent Board Decisions Closer to Guidelines. The board has provided information that indicates that its PCD decisions over the first six months of the current year are much closer to the guidelines than they had been in the past. Chart 1 shows the number of PCDs during the first six months of the current year that are either below, at, or above the PCDs set forth in Title 15. The chart indicates a *dramatic* decrease in the number of YOPB decisions that resulted in PCDs in excess of the established guidelines for Youth Authority wards at initial hearings. Clearly the YOPB has made efforts to bring PCD decisions into conformance with existing guidelines.

Chart 1

**Parole Consideration Date Decisions
In Relationship to Guidelines**

1988



Analyst's Concerns. Although the data provided by the YOPB appear to indicate a change in the board's decisions, we have two major concerns regarding the board's response to the supplemental report requirements. First, the data provided by the board do not indicate whether the board has succeeded in establishing PCDs that, on average, are within the guideline for the appropriate category. The data show that over this six-month period about 21 percent of the board's PCDs exceeded the established guidelines. Yet, we cannot determine from this information if the number of months assessed to each ward, on average, remains within the board's guidelines. Second, the board still has not provided the required justification to the Legislature explaining the PCDs that did exceed the established guidelines.

Because the information required by the supplemental report is important to the Legislature in assessing the appropriateness of the board's decisions as well as the adequacy of the guidelines, we recommend that the board provide to the Legislature, prior to budget hearings, the required justification regarding those PCDs that were set in excess of the established guidelines.

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

Item 5460 from the General
Fund and various other funds

Budget p. YAC 48

Requested 1989-90	\$365,317,000
Estimated 1988-89	373,363,000
Actual 1987-88	356,384,000
Requested decrease (excluding amount for salary increases) \$8,046,000 (-2.2 percent)	
Recommendation pending	4,624,000

1989-90 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5460-001-001—Support	General	\$296,747,000
5460-001-747—Support	New Prison Construction Bond 1988	733,000
5460-001-831—Support	California State Lottery Education	701,000
5460-001-890—Support	Federal	796,000
5460-001-232—Support	Hospital Services Account, Cigarette and Tobacco Products Surtax	132,000
5460-001-236—Support	Unallocated Account, Cigarette and Tobacco Products Surtax	35,000
5460-001-796—Support	County Correctional Facility Capital Expenditure Bond 1988	199,000
Continuous Appropriation—Support	County Correctional Facility Capital Expenditure Bond 1986	25,000
5460-101-001—Local Assistance	General	7,407,000
Continuous Appropriation—Local Assistance	County Correctional Facility Capital Expenditure Bond 1986	10,000,000
8700-001-214—Local Assistance	Restitution	30,398,000
Reimbursements		18,144,000
Total		\$365,317,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Ward Population Growth. Withhold recommendation on \$4.6 million requested from the General Fund to accommodate projected ward population increase, pending receipt and analysis of the population proposal contained in the May revision, the Population Management and Facilities Master Plan, and other specified information. 678
2. Bed Savings Alternative Programs. Recommend that, prior to budget hearings, the department report to the Legislature regarding the delays in implementation of the alternative programs as well as a plan to improve participation in these programs. 680
3. Proposed Reduction in the County Justice System Subvention Program. Recommend that the Department of Finance, in conjunction with the Department of the Youth Authority, 682

report to the fiscal committees prior to budget hearings on the fiscal and programmatic effects of the administration's proposal.

GENERAL PROGRAM STATEMENT

The Department of the Youth Authority is responsible for the protection of society from the criminal and delinquent behavior of young people. The Welfare and Institutions Code directs the department to operate training and treatment programs which seek to correct and rehabilitate youthful offenders, rather than punish them. This mission is carried out through four programs—Institutions and Camps, Parole Services, Prevention and Community Corrections, and Administration. The department has 4,972.1 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes expenditures of \$365.3 million from the General Fund, various special funds, and reimbursements to support the activities

Table 1
Department of the Youth Authority
Program Summary
1987-88 through 1989-90
(dollars in thousands)

	<i>Actual</i> 1987-88	<i>Est.</i> 1988-89	<i>Prop.</i> 1989-90	<i>Percent</i> <i>Change</i> <i>From</i> 1988-89
Expenditures				
Prevention and community corrections.....	\$74,359	\$79,235	\$47,804	-39.7%
Institutions and camps.....	251,024	260,983	281,771	8.0
Parole services.....	30,711	32,933	35,540	7.9
Administration:				
Undistributed.....	290	212	202	-4.7
Distributed.....	(14,669)	(14,947)	(15,967)	6.2
Totals.....	\$365,384	\$373,363	\$365,317	-2.2%
Funding Sources				
General Fund.....	\$338,411	\$348,014	\$304,154	-12.6%
New Prison Construction Bond Fund of 1988....	—	—	733	— ^a
New Prison Construction Bond Fund of 1986....	189	201	—	-100.0
California State Lottery Education Fund.....	144	910	701	-22.9
County Correctional Facility Capital Expenditure Bond Fund of 1988.....	—	—	199	— ^a
County Correction Facility Capital Expenditure Bond Fund of 1986.....	319	5,035	10,025	99.1
Hospital Services Account, Cigarette and Tobacco Products Surtax Fund.....	—	—	132	— ^a
Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....	—	—	35	— ^a
Federal Trust Fund.....	807	796	796	—
Restitution Fund.....	—	—	30,398	— ^a
Reimbursements.....	16,514	18,407	18,144	-1.4
Personnel-Years				
Prevention and community corrections.....	48.9	46.2	53.3	15.4%
Institutions and camps.....	4,239.3	4,378.1	4,344.0	-0.7
Parole services.....	283.8	287.7	303.0	5.3
Administration.....	261.0	260.1	261.7	0.6
Totals.....	4,833.0	4,972.1	4,962.0	-0.2%

^a Not a meaningful figure.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Table 2
Department of the Youth Authority
Proposed 1989-90 Budget Changes
(dollars in thousands)

	<i>General Fund</i>		<i>1986 & 1988 Bonds^a</i>		<i>Lottery</i>	<i>Resti-</i>	<i>Cigar-</i>	<i>Federal</i>	<i>Total</i>
	<i>State</i>	<i>Local</i>	<i>State</i>	<i>Local</i>	<i>Education</i>	<i>tution</i>	<i>ette &</i>	<i>Trust</i>	
	<i>Oper-</i>	<i>Assis-</i>	<i>Oper-</i>	<i>Assis-</i>	<i>Fund</i>	<i>Fund</i>	<i>Tobacco</i>	<i>Fund and</i>	
	<i>ations</i>	<i>tance</i>	<i>ations</i>	<i>tance</i>		<i>Local</i>	<i>Products</i>	<i>Reimburse-</i>	
						<i>Assis-</i>	<i>Surtax</i>	<i>ments</i>	
						<i>tance</i>	<i>Funds</i>		
1988-89 Expenditures (revised)	\$273,309	\$74,705	\$236	\$5,000	\$910	—	—	\$19,203	\$373,363
Proposed Changes:									
<i>Workload Adjustments</i>									
Ward population	4,624	—	—	—	—	—	35	—	4,659
Reimbursement adjustment	—	—	—	—	—	—	—	-378	-378
Reduction of one-time costs	-701	—	-1	—	—	—	—	—	-702
Subtotal, Workload Adjustments	(3,923)	(—)	(-1)	—	—	—	(35)	(-378)	(3,579)
<i>Cost Adjustments</i>									
Employee compensation	11,827	—	10	—	—	—	—	—	11,837
Full-year cost adjustment	7,186	—	—	—	—	—	—	—	7,186
Reduction of one-time cost	-2,424	—	—	—	—	—	—	—	-2,424
Technical adjustment	1,500	—	—	—	—	—	—	—	1,500
Salary savings relief	974	—	—	—	—	—	—	—	974
Price increase	874	—	—	—	—	—	132	—	1,006
PERS rate adjustment	296	—	—	—	—	—	—	—	296
Reduction of limited-term positions	-1,050	—	—	—	—	—	—	—	-1,050
Telephone system	—	—	523	—	—	—	—	—	523
Other	4	—	-10	5,000	-209	—	—	—	4,785
Subtotal, Cost Adjustments	(19,187)	(—)	(523)	(5,000)	(-209)	—	(132)	—	(24,633)
<i>Program Changes</i>									
N.A. Chaderjian School	200	—	—	—	—	—	—	—	200
Maintenance and equipment	128	—	—	—	—	—	—	—	128
Delinquency prevention	—	—	—	—	—	—	—	115	115
County subvention reduction	—	-36,900	—	—	—	—	—	—	-36,900
County subvention fund shift	—	-30,398	—	—	—	30,398	—	—	—

Bond administration staff	<u>—</u>	<u>—</u>	<u>199</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>199</u>
Subtotal, Program Changes	<u>(328)</u>	<u>(-67,298)</u>	<u>(199)</u>	<u>(—)</u>	<u>(—)</u>	<u>(30,398)</u>	<u>(—)</u>	<u>(115)</u>	<u>(-36,258)</u>
1989-90 Expenditures (proposed)	\$296,747	\$7,407	\$957	\$5,000	\$701	\$30,398	\$167	\$18,940	\$365,317
Change From 1988-89									
Amount	\$23,438	-\$67,298	\$721	\$10,000	-\$209	\$30,398	\$167	-\$263	-\$8,046
Percent	8.6%	-90%	305%	100%	-23%	— ^b	— ^b	-1.4%	2.2%

^a County Correctional Facility Capital Expenditure Bond Fund and New Prison Construction Bond Fund.

^b Not a meaningful figure.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

of the Youth Authority in 1989-90. This is a decrease of \$8 million, or 2.2 percent, *below* estimated current-year expenditures. Table 1 provides a summary of the department's total expenditures and staffing levels, by program, for the past, current, and budget years.

The department's proposed budget changes are summarized in Table 2, by funding source. The changes include a \$23.9 million increase in state operations (all funds) and a net reduction of \$32 million in local assistance. The increase in state operations primarily is due to increases in employee compensation and the rising ward population. The local assistance decrease is due to a reduction of \$37 million in support of the County Justice System Subvention Program, and a \$5 million increase in expenditures for county juvenile facilities from the County Correctional Facility Capital Expenditure Bond Fund.

The budget proposes an increase of \$23.4 million, or 8.6 percent, in the department's General Fund operating budget for 1989-90. Specifically, this includes a net increase of \$3.9 million for population-related changes, \$19.1 million for cost adjustments including employee compensation, and departmental program changes of \$328,000. Several of these proposals are discussed later in this analysis.

ANALYSIS AND RECOMMENDATIONS**Population Estimates Uncertain**

We withhold recommendation on \$4.6 million requested from the General Fund to accommodate the projected ward population increase, pending receipt and analysis of a revised budget proposal, population projections, and construction schedules to be contained in the May revision, as well as the department's Population Management and Facilities Master Plan and other specified information.

The budget proposes a net increase of \$4.6 million from the General Fund to accommodate ward and parolee population growth in the budget year. The amount consists of an increase of \$2.4 million for ward population and an increase of \$2.2 million in associated parole and administrative costs. The Youth Authority's 1989-90 ward population management plan is summarized in Table 3.

Table 3
Department of the Youth Authority
1989-90 Ward Housing Plan

Department Facilities	County	1989-90 Population Management Plan			Overcrowding Status	
		1988-89 End-of- Year Population	Budget Adjust- ment	1989-90 End-of- Year Population	1989-90 Bed Capacity	Percent of Capacity
Northern Reception Center						
Clinic.....	Sacramento	500	—	500	326	153.4%
Southern Reception Center						
Clinic.....	Los Angeles	600	—	600	350	171.4
Fred C. Nelles School.....	Los Angeles	953	—	953	650 ^a	146.6
O.H. Close School.....	San Joaquin	575	-11	564	379	148.8
Karl Holton.....	San Joaquin	574	-11	563	388	145.1
El Paso de Robles School.....	San Luis Obispo	821	91	912	652 ^b	139.8

Ventura School.....	Ventura	905	100	1,005	676 ^c	148.6
Dewitt Nelson Training Center...	San Joaquin	654	-11	643	400	160.7
Preston School of Industry.....	Amador	849	100	949	720 ^d	131.8
Youth Training School.....	San Bernardino	2,054	—	2,054	1,200	171.2
Silverlake Pre-Parole Center.....	Los Angeles	45	—	45	45	100.0
Conservation Camps.....	various	682	—	682	570	119.6
<i>Other Facilities</i>						
El Centro Training Center.....	Imperial	60	—	60	50	120.0
Federal facilities.....	various	25	—	25	25	100.0
	Butte, Del Norte,					
Northern County leased beds.....	Siskiyou	25	—	25	25	100.0
Totals.....		9,322	258	9,580	6,456	148.4%

^a Includes addition of 100-bed living and education unit.

^b Includes new 100-bed living unit.

^c Includes new 100-bed public service unit.

^d Includes expansion of precamp program.

Ward Housing Plan for the Budget Year. As Table 3 indicates, the department anticipates that the increase of 258 wards in 1989-90 largely will be accommodated by increasing the populations of the El Paso de Robles, Ventura, and Preston Schools. This will be accomplished primarily by activating the new 100-bed housing units which are scheduled to be completed at each of these institutions in the budget year.

Population Estimate Concerns. Our analysis indicates that the department's ward population request is based on assumptions regarding the success of the alternative programs, the future actions of the Youthful Offender Parole Board (YOPB), as well as the department's schedule for housing wards in new facilities. We have several concerns with these assumptions and accordingly believe it is likely that the population estimates that are reflected in the May revision of the budget will differ from what is in the Governor's Budget.

Bed Savings from Alternative Programs Are Unclear

Since 1987-88 the department has received funding to operate several alternative programs that are designed to reduce the need for institutional beds. In general these programs provide options to returning parole violators to the institutions, or reduce the length-of-stay of wards in the institutions. The department has had varying degrees of success in implementing these programs. Some programs such as the Intensive Parole Re-entry and the Job Placement programs have been successful in reducing the number of parolees returned to institutions. Other programs such as community detention and institutional programs for parole violators have been delayed in their implementation and have not resulted in bed savings thus far. Because of delays in the implementation of these programs, the actual bed savings associated with the alternative programs are unclear at this time.

Population Estimates Are Based on Recent Youthful Offender Parole Board Decisions

Over the last six months, the YOPB has changed its decisions regarding parole consideration dates to more closely reflect its own guidelines (see Item 5450-001). The Youth Authority has based its population estimates on the assumption that the board will continue to make similar decisions regarding releases from institutions and parole revocations into the

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

budget year and beyond. By the time of the May revision the Youth Authority will have five months of additional data to use in assessing the likelihood that the recent YOPB decisions represent a trend for the future.

The Department Has Not Submitted Its Population Management and Facilities Master Plan

In the *Supplemental Report of the 1986 Budget Act* the Legislature directed the Department of the Youth Authority to prepare a long-range population management report which evaluated various alternatives for alleviating the overcrowding in Youth Authority institutions. At the time this analysis was prepared, the department advised us that it planned to submit the Master Plan to the Legislature by March 1989.

The Master Plan contains information for the Legislature regarding future plans for construction and overcrowding policies as well as demographic and Youth Authority population projections. This information is particularly important to the Legislature in consideration of the department's current proposals to construct an 1,800 bed institution and to reduce state support of the County Justice System Subvention Program (CJSSP).

Therefore, we recommend that the department provide the Legislature with its Master Plan prior to the May revision. The Master Plan should include information regarding the need for additional institutional capacity and any current and future construction plans. The Master Plan should also include a plan for accommodating any increase in ward population that will result from the reduction of CJSSP funds. (For further discussion of this subject see the analysis of the Youth Authority's local assistance programs in the following pages.)

Summary. Pending receipt and review of the information noted above, we withhold recommendation on \$4.6 million requested from the General Fund to accommodate projected ward population increases.

Bed Savings from Alternative Programs Are Unclear

We recommend that, prior to budget hearings, the department report to the Legislature regarding the delays in implementation of the alternative programs and the department's plan to improve participation in these programs.

The budget proposes a total of \$2.5 million for the implementation, expansion, or permanent establishment of six separate alternative programs that are intended to reduce the number of beds the department needs in the institutions. One program establishes additional substance abuse programs in the institutions. Two programs are designed for parolees who are reentering the community or are at risk of being sent back to an institution. Two additional programs provide for community detention of parolees who would otherwise be returned to an institution. The last program is designed to provide a shorter, more intensive program for those parolees who are returned to the Youth Training School.

In general, we are concerned with the department's estimate of the number of beds that several of these programs will save. This is because of the difficulty that the department has encountered in the implementation of these programs. Although all of the existing programs were

estimated to result in bed savings in the current year, the late start-up and low participation in some programs have precluded any significant savings in the current year. We have specific concerns about the implementation and estimated bed savings of the three programs discussed below.

Parole Community Custody Expansion. Under this proposal, the department would spend \$464,000 to *expand*, to a capacity of 40 parolees, the current program that is operated under a contract with a county juvenile camp—Fouts Springs. This program was originally scheduled to start-up in September 1988 and be filled to its capacity of 20 parolees by November 1988. The program was estimated to reduce the need for 28 institutional beds in its first year of operation and 60 beds in subsequent years. However, the first parolees did not enter the program until December of 1988 and at the time this analysis was prepared (February 1989) the program had an enrollment of 12 parolees.

Because of its late start and under-utilization, the Youth Authority advises that the program has not resulted in any bed savings so far. Based on the department's experience to date, it may be optimistic to assume that the expanded program will save 32 beds in 1989-90 and 114 beds in 1990-91.

Los Angeles Drug Treatment Program. Under this program the department proposes to spend \$786,000 for a contract with a private provider for a short-term drug treatment program for up to 45 parolees who are found to be using illicit drugs and are therefore in danger of being returned to an institution. This program is proposed to be modeled after the Fouts Springs program discussed above.

The department assumes that the Los Angeles program will have a 40 percent success rate resulting in the need for 156 fewer institutional beds. The department advised us that these assumptions are similar to those used in estimating the beds savings associated with the Fouts Springs program. As we noted above, the Fouts Springs program has yet to produce the savings that were originally estimated. Accordingly, we believe that it may be premature to assume that development of the Los Angeles program will result in bed savings of this magnitude.

Parole Violator Program at the Youth Training School. The Governor's Budget proposes to permanently establish this program at an annual cost of \$160,000. The goal of the program is to provide intensive treatment to parole violators who are returned to the Youth Training School. The intensive program is designed to be seven months long rather than the current 11 months that most parole violators spend in institutions.

The department estimates the program will result in a need for 40 fewer institutional beds. Although funding has been provided for this program since July 1987, the program did not start until January 1988. We are concerned about the department's bed savings estimate because data for the first nine months of the program's operation indicate that the program has saved only two institutional beds as of December 1988.

While the goals of the department's proposed bed saving alternative programs have merit, the department has not been successful at implementing these programs on schedule, nor at placing wards into these programs. This in turn affects the success of the program in terms of reducing the need for institutional beds. Due to the potential for these programs to reduce the level of crowding in Youth Authority institutions

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

and to reduce state costs as well, we recommend that, prior to budget hearings, the department inform the Legislature of the problems it has encountered in implementing these programs, and identify how it plans to increase the ward participation in these programs in the future.

LOCAL ASSISTANCE

The budget proposes a total of \$47.8 million from the General Fund, the Restitution Fund, and the County Correctional Facility Capital Expenditure Bond Fund of 1986 for the Youth Authority's local assistance programs in 1989-90. This a decrease of \$31.9 million, or 40 percent, from estimated current-year expenditures. Table 4 provides a summary of local assistance funding, by program, for the past, current, and budget years.

Table 4
Department of the Youth Authority
Local Assistance Programs
1987-88 through 1989-90
(dollars in thousands)

<i>Program</i>	<i>Actual</i>	<i>Est.</i>	<i>Prop.</i>	<i>Percent</i>
	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>	<i>Change From</i>
				<i>1988-89</i>
<i>General Fund</i>				
County Justice System Subvention	\$67,287	\$67,298	—	-100.0%
Delinquency prevention	2,307	2,307	2,307	—
Transportation of wards	43	95	95	—
Detention of parolees	4,283	4,505	4,505	—
Regional Youth Education Centers	500	500	500	—
Subtotal, General Fund	(\$74,420)	(\$74,705)	(\$7,407)	-90.1%
<i>Restitution Fund</i>				
County Justice System Subvention.....	—	—	\$30,398	— ^a
<i>County Correctional Facility Capital Expenditure Bond Fund 1986</i>				
Construction/reconstruction of local juvenile facilities	\$179	\$5,000	\$10,000	100.0%
Totals.....	\$74,599	\$79,705	\$47,805	-40.0%

^a Not a meaningful figure.

As shown in the table, the decrease primarily is due to a reduction in support for the CJSSP block grant. This decrease is offset partially by an increase of \$5 million from the County Correctional Facility Capital Expenditure Bond Fund. These funds will be allocated by the Youth Authority to local governments for the construction and remodeling of local juvenile facilities pursuant to the provisions of Ch 1519/86 (SB 2543, Presley).

Reduction in Local Assistance Likely to Increase Costs for Certain State Programs in the Future

We recommend that the Department of the Youth Authority, in conjunction with the Department of Finance, report to the fiscal committees, prior to budget hearings, on the fiscal and programmatic effects of the proposed reduction of the CJSSP.

The Governor's Budget proposes to fund the CJSSP at a level of \$30.4 million. This amount is \$36.9 million, or 55 percent, less than the \$67.3 million provided for the program in the current year. Also, the budget

proposes to fund the program from the Restitution Fund in 1989-90 rather than from the General Fund, which has been its traditional source of support. Our review of the revenues and expenditures of the Restitution Fund indicate that sufficient funds will be available for this purpose in the budget year. (For further discussion of the Restitution Fund please see Item 8700.)

Background

The CJSSP was established as a block grant program in 1983-84. The program provides funds to the counties for support of local alternatives to commitments to the Youth Authority and state prisons.

Current Year Program. In the current year, the Youth Authority estimates that the block grants will be spent by the counties as follows:

- Local programs for minors and adults who are eligible for, or who are at high risk for, commitment to the Youth Authority or the Department of Corrections (CDC)—\$15 million.
- Programs for juvenile offenders who are committed to a juvenile hall, home, ranch, or camp—\$14.6 million.
- Programs to prevent crime and delinquency by persons who are not currently under court jurisdiction or serving a sentence—\$9.7 million.
- Programs required by Ch 1071/76 (AB 3121), which brought the state into compliance with federal law by making major changes in the adjudication and detention of minors including the separation of minors and adult offenders while incarcerated, the involvement of the district attorneys and public defenders in juvenile cases, and requirements associated with "status offenders" (those juveniles who commit acts such as truancy, which would not be considered criminal acts for adults)—\$23.9 million.
- County administration of the block grants, including support of the county justice system advisory groups—\$1.6 million.

Under the provisions of the program, counties are required to waive any claims for the mandate imposed by Chapter 1071 if they receive CJSSP block grants. Currently, all 58 counties participate in the program.

Budget-Year Proposal. We have several concerns with the proposal to significantly reduce funding for the CJSSP because of its potential effect on the costs of various state programs, as well as the treatment available for juvenile offenders. Also, the administration's intentions are unclear as to whether it proposes to maintain the entire block grant program or just the mandated portion of the program.

The Proposal is Likely to Result in Increased Population and Costs to Various State Programs. In general, counties have four major choices for the treatment of those youthful offenders whom the juvenile court declares as wards. These choices are: (1) placement at home on probation, (2) commitment to a county juvenile hall, ranch, or camp, (3) placement in Aid to Families with Dependent Children-Foster Care (AFDC-FC), and (4) commitment to the Youth Authority. As shown in Table 5, placements in county facilities primarily are supported by the counties, along with some funding from the CJSSP. The AFDC-FC and Youth Authority commitments are supported almost entirely by the state. (For further discussion of the juvenile justice system, please see *The 1989-90 Budget: Perspectives and Issues*).

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Table 5
California Juvenile Justice System
Placement Costs
1988-89
(dollars in millions)

	<i>County Facilities</i>		<i>AFDC-FC</i>		<i>CYA</i>	<i>Totals</i>
	<i>Juvenile Halls</i>	<i>Camps</i>	<i>Foster Family Homes</i>	<i>Group Homes</i>		
Average Daily Population	5,148	3,467	714	4,907	9,400 ^a	23,636
Average Daily Cost, Actual Dollars ...	\$77	\$56	\$15	\$84	\$67	\$69
Annual Funding						
General Fund	—	\$14.6 ^b	\$3.2	\$126.5	\$229.1	373.4
County funds	\$144.3	56.2	.2	6.5	2.4	209.6
Federal funds	—	—	.5	18.8	—	19.3
Totals	<u>\$144.3</u>	<u>\$70.8</u>	<u>\$3.9</u>	<u>\$151.8</u>	<u>\$231.5</u>	<u>\$602.3^c</u>

^a Includes 1,110 inmates convicted in criminal court, and sentenced to the Department of Corrections but housed in the Youth Authority pursuant to state law.

^b That portion of the County Justice System Subvention that is claimed for camp operations.

^c Dollar amounts do not include distributed administration.

Sources: LAO estimates based on information provided by the Youth Authority, the Department of Social Services, and County Probation Departments.

According to staff from six probation departments that we interviewed, as well as a recent survey conducted by the Youth Authority, the proposed budget reduction could lead counties to close some or possibly all of their camps and ranches. The survey conducted by the Youth Authority indicates a potential loss of about 2,700 county ranch and camp beds as a result of the reduction in CJSSP funds. Although the amount claimed by counties against the CJSSP for camps (\$14.6 million) is much lower than the amount of the proposed reduction (\$36.9 million), representatives of those counties that operate camps indicate that they would absorb the bulk of the cut by eliminating these camp beds. This is because that action would be the least disruptive to the probation departments and the other services provided by the counties. To the extent that there is a reduction in the number of wards housed at the county level, there is a strong possibility that there would be an increase in the number of wards committed to the Youth Authority each year.

The proposal also is likely to result in increased commitments to the AFDC-FC program, as well as the CDC. The county staff that we interviewed indicated that the reduction in CJSSP funds is likely to result in increased placements of wards in the AFDC-FC program. Also, counties advise that the adult programs that receive some support from the CJSSP will be reduced. These programs include services to adults in jails and intensive parole supervision. According to those counties interviewed, the loss or reduction of these services is likely to result in increased commitments to the CDC.

These increases to state-supported programs likely will result in significantly increased placement costs assuming that there are no changes made to the state's programs in terms of the average cost and length-of-stay. For example, if the proposal does result in a loss of 2,700 county ranch and camp beds, it is likely that the wards currently occupying these beds either will be committed to the Youth Authority or

placed in an AFDC-FC program. If, for example, half of those wards would be committed to the Youth Authority, the department's annual support costs could increase by \$37 million or more, and the department could incur major additional costs for construction of new facilities as well. If the rest of the wards currently in county camps are placed in foster care group homes, the state's annual costs for AFDC-FC could increase by about \$40 million. Because the average daily cost of the Youth Authority commitments and AFDC group home placements are greater than the costs of county ranches and camps, any shift from the use of county camps to state programs will probably result in a net increase in costs to the taxpayer.

Proposal May Result in Adverse Impact on Wards. Another important consideration of this proposal is the effect it may have on wards who are currently receiving services from local programs that receive some CJSSP support. To the extent that the reduction in funding leads counties to place wards in less appropriate treatment programs, the proposed budget reduction could have an adverse impact on the wards. For example, if a ward who currently is receiving county services such as counseling or therapy related to a particular offense is placed in the Youth Authority, similar services may be unavailable due to the high demand for the services resulting from the Youth Authority's current overcrowded conditions.

The Administration Should Clarify Its Intention Regarding the Funding of the Mandate as Well as the Other CJSSP Services. One of the expenditures that currently is supported by the CJSSP block grant is the mandated program established by Ch 1071/76 (AB 3121) as discussed above. In exchange for participation in the CJSSP, counties are required to waive any claims for mandated costs resulting from Chapter 1071.

According to the Department of Finance, the \$30.4 million proposed for the CJSSP in the budget year is based on a calculation of the amount that was claimed by some counties against the CJSSP for the costs of the mandate in 1985-86, adjusted for price increases during the intervening years. *Our analysis indicates that this calculation is not appropriate since it does not accurately reflect the total cost of the mandate in all 58 counties.* Instead, it reflects only that portion of the mandated costs that was charged against the CJSSP block grants in 1985-86. In 1985-86 as well as in the current year, about 20 counties *did not use* any CJSSP money to fund the costs of the mandate. In these counties, the counties' general funds support the mandated activities.

The Youth Authority is currently attempting to develop a better estimate of the full costs of the mandate. Prior to the May revision of the Governor's Budget, the Department of Finance and the Youth Authority should provide the Legislature with a more accurate estimate of the actual costs of the mandate.

It is unclear whether the administration intends that the \$30.4 million appropriation finance the mandate or the various other programs eligible for block grant funding. While the amount appropriated for the CJSSP in the Governor's Budget is based on the costs of the Chapter 1071 mandate, the Budget Bill language that accompanies this appropriation implies that the block grant and the associated provisions of current law will remain in place. If the appropriation is designed only to pay for the mandate, it may not be appropriate for the Youth Authority to continue to administer these funds. Instead, the mandate could be funded through the budget of

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

the Commission on State Mandates (Item 8885) which contains payment for other state-mandated costs incurred by local governments.

Because of the concerns we raise above, we recommend that prior to the May revision of the Governor's Budget, the Department of Finance and the Youth Authority provide the Legislature with a report on the fiscal and programmatic implications of the proposal, including estimates of caseload increases in the Youth Authority, CDC, the AFDC-FC program, and associated costs; an update on how counties indicate they will absorb the loss of CJSSP funds; an analysis of how this proposal will affect the treatment of wards; and clarification of the administration's intentions regarding the funding of the mandate and other CJSSP services.

Youth and Adult Correctional Agency

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

Item 5770 from the General
Fund

Budget p. YAC 68

Requested 1989-90	\$416,000
Estimated 1988-89	475,000
Actual 1987-88	84,000
Requested decrease (excluding amount for salary increases) \$59,000 (-12 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

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

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

The institute's initial projects included developing selection and training plans for various correctional managers and employees, and establishing a library containing research addressing the institute's areas of interest.

Staff advise that a plan for the selection of correctional officers will be completed by the end of the current year. During the budget year, the institute intends to submit a plan for training correctional officers, and commence work on selection and training plans for mid-management.

Progress toward a research library will begin in the current year with the award of contracts for consolidated annotated bibliographies of research conducted in the institute's areas of interest. Staff indicate the bibliographies are scheduled to be completed in December 1989.

The institute has 1.4 personnel-years in the current year.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Governor's Budget requests \$416,000 from the General Fund to support the activities of the Presley Institute in 1989-90. This is a decrease of \$59,000, or 12 percent, below estimated current-year expenditures. The funding reflects an \$18,000 decrease in personnel costs primarily due to elimination of clerical staff. In addition, the institute advises that it is relying more heavily on staff support from the departments under the youth and adult correctional agencies, which has resulted in a \$41,000 decrease in support for external consulting and professional services.

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