

**YOUTH
AND
ADULT
CORRECTIONAL**

DEPARTMENT OF CORRECTIONS

Item 5240 from the General

Fund and various funds

Budget p. YAC 1

Requested 1990-91	\$2,304,042,000
Estimated 1989-90	2,014,092,000
Actual 1988-89	1,593,256,000
Requested increase (excluding amount for salary increases) \$289,950,000 (+14.4 percent)	
Total recommended reduction	1,752,000
Recommendation pending	225,345,000

1990-91 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5240-001-001—Support	General	\$2,083,074,000
5240-001-751—Support	1990 Prison Construction	57,718,000
5240-001-890—Support	Federal Trust	217,000
5240-001-917—Support	Inmate Welfare	29,306,000
5240-003-001—Revenue bond payments	General	93,659,000
5240-101-001—Local assistance	General	24,845,000
Reimbursements		15,223,000
Total	—	\$2,304,042,000

SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS

- | | |
|---|--------------------------|
| | <i>Analysis
page</i> |
| 1. Inmate Population Growth. Withhold recommendation on \$144.2 million for inmate population growth, pending analysis of revised budget proposal, population projections, and construction schedule in the May revision. | 789 |
| 2. Parole Population Growth. Withhold recommendation on \$13.3 million for parole population growth, pending analysis of revised population projections in the May revision. | 789 |
| 3. Short-term Inmate Population. Recommend department report, prior to budget hearings, on implementation of strategies to reduce the number of inmates serving less than 12 months in prison. | 789 |
| 4. Community-Based Bed Program. Withhold recommendation on \$60.4 million, pending receipt of a plan on community-based bed activations. | 792 |
| 5. Substance Abuse Treatment Plan. Although department's plan contains many elements necessary for successful treatment programs, Governor's Budget does not request sufficient funds to implement program in 1990-91. | 799 |
| 6. Substance Abuse Revocation Diversion (SARD) Program. Recommend adoption of supplemental report language directing department to include information on electronic surveillance in its September 1990 report on SARD. | 800 |

DEPARTMENT OF CORRECTIONS—Continued

7. *Case Records and Parole Revocation Staff. Reduce Item 5240-001-001 by \$878,000.* Recommend deletion because the department has not justified its request. 801
8. Coordination Between Departments of Corrections (CDC) and Mental Health (DMH). Recommend that CDC and DMH report, prior to budget hearings, on procedures for joint development of treatment plans and sharing of information on cases. 803
9. Outpatient Psychiatric Program for Women. Withhold recommendation on \$900,000 requested for program, pending receipt of additional information on staffing and coordination issues. 804
10. Interagency Agreement with DMH—Treatment Issues. Withhold recommendation on \$3.2 million requested for agreement, pending receipt of information on staffing and scheduled treatment activities. 805
11. *Interagency Agreement with DMH—Technical Issue. Reduce Item 5240-001-001 by \$408,000.* Recommend reduction due to overbudgeting. 806
12. Workers' Compensation. Recommend adoption of supplemental report language requiring department to report on workers' compensation claims and costs. 806
13. Construction Claims. Withhold recommendation on \$3.3 million requested for claims review, pending receipt of information on existing level of claims against department. 808
14. *Security Staff at Trials. Reduce Item 5240-001-001 by \$466,000.* Recommend deletion of \$466,000 because the trials will be completed in the current year. 809
15. Unallocated Reduction. Recommend department report, prior to budget hearings, on its plan to absorb the unallocated General Fund reduction of \$20.6 million. 809

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 19 institutions including a medical facility and a treatment center for narcotic addicts under civil commitment. (This will increase to 22 institutions in the budget year.) The department also operates 39 conservation camps.

Major programs conducted in the institutions include 62 prison industry programs and 10 agricultural enterprises which seek to reduce idleness and teach good work habits and job skills. Programs also include vocational training in various occupations, academic instruction ranging from literacy to college courses, and group and individual counseling.

MAJOR ISSUES

- ☒ The prison inmate population is projected to increase by 12 percent in the budget year, exceeding 100,000 inmates by April 1991. The inmate population is expected to exceed 145,000 by 1994-95. A growing portion of this population consists of persons who are returned to prison to serve short terms for (less than 12 months). The department has proposed strategies to reduce the number of inmates serving short terms.
- ☒ The parole population is expected to increase by 14 percent in the budget year, exceeding 70,000 parolees.
- ☒ The department seeks to expand significantly its community-based bed program by 2,400 beds in 1990-91, but does not have a bed activation plan.
- ☒ Although the department has developed a substance abuse treatment plan for inmates and parolees that contains a number of components, the budget proposes to fund only a portion of the plan and anticipates federal funds will be available for the remainder. However, it is not clear that federal funds will be available.
- ☒ There are a number of problems with the mental health treatment programs for inmates, including:
 - Poor coordination between the Department of Corrections and Mental Health.
 - The Department of Mental Health is providing less than 30 percent of the funded treatment services to inmates at the California Medical Facility.

DEPARTMENT OF CORRECTIONS—Continued

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 25,944 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes the expenditure of \$2.3 billion from various funding sources for support of the Department of Corrections in 1990-91, as shown in Table 1. This represents an increase of \$290 million, or 14 percent, above estimated current-year expenditures. Over one-half of this increase is due to projected inmate and parole population increases with 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 \$28.8 million from the General Fund. This amount includes a net increase of \$26.7 million in spending for the institutions program due to greater-than-budgeted increases in parole and institution populations. This increase reflects \$1.3 million in savings in the parole program due to delayed community bed activations and parole caseload staffing adjustments and net savings in the local assistance item. In addition to the population-related deficiencies, the department proposes a \$1.2 million augmentation for additional housing units for inmates who are infected with the HIV virus, \$657,000 for an increase in the Department of Mental Health's contract services amount, and \$505,000 for increased support costs for inmate work and fire crews at the Department of Forestry and Fire Protection's conservation and fire camps.

The budget proposes expenditures of \$2.2 billion from the General Fund for support of the department in 1990-91. This is an increase of \$255 million, or approximately 13 percent, above estimated current-year expenditures (including the deficiency request).

In addition, the budget includes the following amounts: (1) \$29.3 million from the Inmate Welfare Fund for special inmate programs and (2) \$57.7 million from the 1990 Prison Construction Fund for support of the department's prison construction and maintenance program and for certain activities related to the activation of new prisons (including moving and relocation expenses for employees, garbage removal, operation of wastewater treatment plants, and laundry operations). The Legislature is considering measures that, if approved by the Legislature and the voters, will establish the 1990 Prison Construction Fund. It is unclear at this time what expenditures will be permissible from the fund.

Table 1
Department of Corrections
Budget Summary
1988-89 through 1990-91
(dollars in thousands) ^a

<i>Program</i>	<i>Actual</i> <i>1988-89</i>	<i>Est.</i> <i>1989-90</i>	<i>Prop.</i> <i>1990-91</i>	<i>Percent</i> <i>Change</i> <i>From</i> <i>1989-90</i>
Institutions	\$1,429,018	\$1,798,622	\$2,124,706	18.1%
Community Corrections	164,238	215,470	199,936	-7.2
Administration (distributed)	(108,720)	(139,407)	(147,738)	6.0
Unallocated savings requirement	—	—	-20,600	— ^b
Totals, Expenditures	\$1,593,256	\$2,014,092	\$2,304,042	14.4%
Funding Sources				
<i>General Fund</i>	<i>\$1,519,896</i>	<i>\$1,946,524</i>	<i>\$2,201,578</i>	<i>13.1%</i>
1988 Prison Construction Fund	31,424	26,695	—	-100.0
1990 Prison Construction Fund	—	—	57,718	— ^b
Federal Trust Fund	352	292	217	-25.7
Inmate Welfare Fund	21,373	25,272	29,306	16.0
Reimbursements	20,211	15,309	15,223	-0.6
Personnel-Years by Program				
Institutions	19,500	22,591	25,218	11.6%
Community Corrections	1,737	2,117	2,594	22.5
Administration	1,054	1,236	1,281	3.7
Totals, Personnel-Years	22,291	25,944	29,093	12.1%

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

^b Not a meaningful figure.

The budget includes \$195.7 million to provide additional staffing and related operating expenses and equipment to accommodate the projected increase in inmate and parolee populations during 1990-91. As shown in Table 2, the amount consists of \$144.2 million for housing additional inmates, \$13.3 million for supervising additional parolees and \$38.2 million for related administration support.

Finally, the budget includes a net increase of \$7.6 million for various program adjustments. This amount includes a total of \$28.2 million in program changes, which is offset by a General Fund "unallocated savings requirement" of \$20.6 million.

Table 2 shows workload adjustments, cost adjustments, and the significant budget changes proposed for 1990-91.

Inmate Population Increases. The department projects that California's inmate population will continue to increase during 1990-91, as shown in Table 3. The table shows that the total population is projected to increase 12.1 percent, from 94,320 in the current year to 105,690 in 1990-91.

DEPARTMENT OF CORRECTIONS—Continued

Table 2
Department of Corrections
Proposed 1990-91 Budget Changes
(dollars in millions) ^a

	<i>General Fund</i>	<i>Bond Funds ^b</i>	<i>Federal Trust Fund</i>	<i>Inmate Welfare Fund</i>	<i>Reimburse- ments</i>	<i>Total</i>
1989-90 Expenditures (Revised).....	\$1,946.5	\$26.7	\$0.3	\$25.3	\$15.3	\$2,014.1
Proposed Changes:						
<i>Workload Adjustments</i>						
Inmate population.....	115.1	26.4	—	2.5	0.2	144.2
Parole population.....	13.3	—	—	—	—	13.3
Administration/other.....	38.3	—	-0.1	—	—	38.2
Subtotals.....	(\$166.7)	(\$26.4)	(-\$0.1)	(\$2.5)	(\$0.2)	(\$195.7)
<i>Cost Adjustments</i>						
Benefit adjustments.....	\$52.2	\$0.2	—	\$0.2	—	\$52.6
Full-year cost.....	70.0	—	—	—	—	70.0
Limited-term positions.....	-12.4	—	—	—	—	-12.4
One-time cost reduction.....	-23.3	—	—	—	—	-23.3
Other.....	—	—	—	—	-0.3	-0.3
Subtotals.....	(\$86.5)	(\$0.2)	(—)	(\$0.2)	(-\$0.3)	(\$86.6)
<i>Program Adjustments</i>						
Inmate program.....	\$55.1	—	—	—	—	\$55.1
Parole program.....	-32.6	—	—	—	—	-32.6
Administration program.....	—	4.4	—	1.3	—	5.7
Unallocated savings requirement...	-20.6	—	—	—	—	-20.6
Subtotals.....	(\$1.9)	(\$4.4)	(—)	(\$1.3)	(—)	(\$7.6)
1990-91 Expenditures (Proposed).....	\$2,201.6	\$57.7	\$0.2	\$29.3	\$15.2	\$2,304.0
Changes from 1989-90:						
Amount.....	\$255.1	\$31.0	-\$0.1	\$4.0	-\$0.1	\$289.9
Percent.....	13.1%	116.2%	-25.7%	16.0%	-0.6%	14.4%

^a Details may not add to totals due to rounding.^b Includes 1988 Prison Construction Fund and 1990 Prison Construction Fund.

Table 3
Department of Corrections
Inmate Population
June 1989 through June 1991

	<i>Actual</i>	<i>Estimated</i>	<i>Projected</i>	<i>Percent Increase from</i>
	<i>6/30/89</i>	<i>6/30/90</i>	<i>6/30/91</i>	<i>6/30/90</i>
Male felon.....	75,223	85,530	95,790	12.0%
Male nonfelon and others.....	2,104	2,300	2,420	5.2
Female felon.....	5,014	5,910	6,860	16.1
Female nonfelon and others.....	531	580	620	6.9
Totals.....	82,872	94,320	105,690	12.1%

Parole Population Increases. The department also projects that the parole population will increase during the budget year. Table 4 shows that the parole population is expected to increase by almost 14 percent, from 61,970 in the current year to 70,525 in 1990-91.

Table 4
Department of Corrections
Parole and Outpatient Population
Supervised in California
June 1989 through June 1991

	<i>Actual</i>	<i>Est.</i>	<i>Proj.</i>	<i>Percent Increase From</i>
	<i>6/30/89</i>	<i>6/30/90</i>	<i>6/30/91</i>	<i>6/30/90</i>
Male felon	47,710	54,710	62,245	13.8%
Male outpatient	1,396	1,580	1,695	7.3
Female felon	4,221	5,155	6,015	16.7
Female outpatient	452	525	570	8.6
Totals	53,779	61,970	70,525	13.8%

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 1990-91, 4,430 new beds are planned for activation and 4,335 beds will be added through overcrowding.

ANALYSIS AND RECOMMENDATIONS

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

- **Criminal Investigation Unit**—\$1 million from the General Fund to permanently establish 12 limited-term positions and provide 3.5 additional positions for the department's criminal investigation unit.
- **Medical Records Staff**—A General Fund increase of \$1.7 million for 63 staff to manage the department's inmate medical records system in accordance with accepted legal and medical practice.
- **Inmate Transportation**—\$1.9 million from the General Fund for six positions and seven new buses for intrastate transportation of inmates.
- **Data Processing Maintenance Staff**—\$461,000 from the General Fund for 17 additional staff to perform maintenance on new and existing computer databases.
- **Special Repair and Maintenance Projects**—\$4 million in bond funds for special repair and maintenance projects in the institutions.
- **Automate Inmate Canteens**—\$1.3 million from the Inmate Welfare Fund to automate inventory and sales processes in the inmate canteens using bar code scanning technology.
- **Data Processing System for Parole Offices**—\$1.9 million from the General Fund to continue implementation of a distributed data processing system in parole unit offices.
- **Parole Outpatient Clinic**—\$1.3 million from the General Fund for 20.5 additional positions to address increased workload.

DEPARTMENT OF CORRECTIONS—Continued

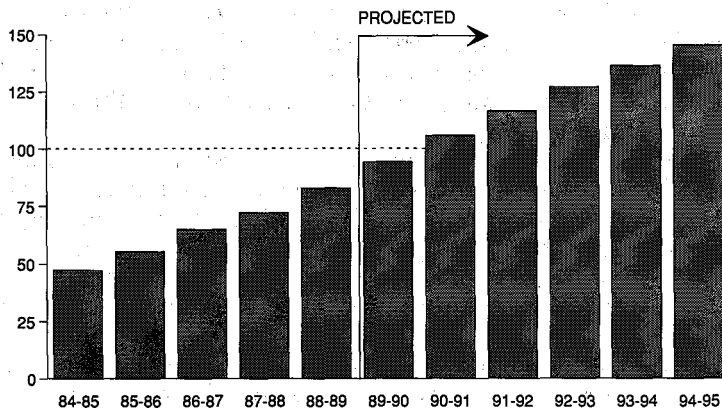
Table 5
Department of Corrections
Inmate Housing Plan
1988-89 through 1990-91

Institution	County	1988-89	1989-90		1990-91			
		Budgeted Capacity	New Beds	Over- Crowding	Budgeted Capacity	New Beds	Over- Crowding	Budgeted Capacity
New Institutions								
California State Prison, Imperial County	Imperial	—	—	—	—	700	—	700
California State Prison, Wasco	Kern	—	—	—	—	1,000	650	1,650
California State Prison, Del Norte	Del Norte	—	2,280	1,122	3,402	—	—	3,402
Central California Women's Facility (CCWF)	Madera	—	—	—	—	2,000	922	2,922
Existing Institutions								
Avenal State Prison, (Avenal)	Kings	4,292	—	308	4,600	—	-108	4,492
California Correction Center (CCC)	Lassen	3,459	—	519	3,978	—	—	3,978
California Correctional Institution (CCI)	Kern	4,811	-64	528	5,275	—	-208	5,067
California Institution for Men (CIM)	San Bernardino	6,085	—	—	6,085	—	—	6,085
California Institution for Women (CIW)	San Bernardino	2,379	—	88	2,467	—	-451	2,016
California Medical Facility (CMF)	Solano	7,499	—	105	7,604	—	225	7,829
California Mens Colony (CMC)	San Luis Obispo	6,254	—	90	6,344	—	-250	6,094
California Rehabilitation Center (CRC)	Riverside	4,748	—	—	4,748	—	—	4,748
California State Prison, Corcoran	Kings	4,416	—	363	4,779	—	—	4,779
California Training Facility (CTF)	Monterey	5,888	—	120	6,008	—	—	6,008
Chuckawalla Valley State Prison, (CVSP)	Riverside	968	1,032	796	2,796	—	—	2,796
Deuel Vocational Institute (DVI)	San Joaquin	3,346	—	—	3,346	—	-325	3,021
Folsom State Prison	Sacramento	6,868	-600	96	6,364	600	—	6,964
Mule Creek State Prison, (MCSP)	Amador	2,900	—	958	3,858	—	—	3,858
Northern California Women's Facility (NCWF)	San Joaquin	760	—	—	760	—	—	760
Richard J. Donovan Correctional Facility (RJD)	San Diego	3,900	—	500	4,400	—	—	4,400
San Quentin State Prison	Marin	3,918	308	1,330	5,556	—	—	5,556
Sierra Conservation Center (SCC)	Tuolumne	3,654	—	371	4,025	—	—	4,025
All Camps	various	3,526	190	324	4,040	130	210	4,380
Unallocated		—	—	—	—	—	3,670	3,670
Totals		79,671	3,146	7,618	90,435	4,430	4,335	99,200

Prison Population Expected to Exceed 100,000 in the Budget Year

The department estimates that the total prison population will reach 100,000 inmates by April 1991 and will end the year with about 106,000 inmates. The department projects that the population will reach 145,000 by 1994-95, an increase of 54 percent over five years—1989-90 through 1994-95. Chart 1 shows the actual and projected growth in the prison population from 1985-86 through 1994-95.

Every six months the department provides an updated estimate of the projected growth in the inmate population. The estimate is based on historical prison admissions data, changes in legislation, and demographic data. These projections are used to plan for inmate housing, new construction, and current and budget year funding needs. Historically, the department's projected population has been below the actual population.

Chart 1**Prison Population to Exceed 100,000 in Budget Year****1985 through 1995 (in thousands)****Commission Concludes California's Criminal Justice System is "Out of Balance"**

Chapter 1255, Statutes of 1987 (SB 279, Presley), established the California Blue Ribbon Commission on Inmate Population Management to make recommendations to the Governor and Legislature on prison overcrowding, costs, and options for criminal punishment.

The commission was composed of 24 members representing various elements of the criminal justice system, including judges, prosecutors, the

DEPARTMENT OF CORRECTIONS—Continued

judiciary, state and local law enforcement and corrections officials, criminal justice researchers, and members of the public. The commission issued its final report in January 1990.

The main conclusion reached by the commission is that California's criminal justice system is "out of balance" because "judges and parole authorities lack sufficient intermediate sanctions to make balanced public safety decisions."

Most of the commission's recommendations focused on the need for more community-based, specialized, or intermediate punishment options at the state and local levels. The recommendations included the following:

Substance Abuse. The commission's recommendations in the area of substance abuse focused on the need for additional treatment services for substance abusing offenders both in jails and prisons as well as in the community.

Parole Violators. The commission recommended increased intermediate options, including more community-based correctional centers. In addition, the commission recommended that as a component of state bond funding for local jail construction, jail space be set aside for housing state parole violators.

Sentencing. The commission agreed that the state's current sentencing structure should be maintained. However, it recommended that a Sentencing Law Review Commission be established to review and make recommendations to the Governor and Legislature on various other sentencing issues. In addition, it recommended that the Judicial Council provide strategies and recommendations for improving the efficiency of the California courts.

Short-Term New Commitments. The commission recommended that sanctions other than incarceration be developed for persons who currently serve a short time in prison. In addition, the commission recommended that the CDC develop an accelerated process for admitting inmates with short terms and that the department provide special intensive programs for these inmates to help them prepare for return to society.

Community Corrections. The commission recommended that the Legislature adopt a community corrections act. The program would be a state-local partnership and provide grants and bond funds to expand community sanctions for offenders. The act would target nonviolent property offenders and drug violators who are either first-time offenders or have no significant criminal history.

Construction. The commission recommended that the state establish a corrections coordinating council to develop a state and local strategy for inmate population management. The commission's recommendations include expanding significantly the number of community correctional centers. In addition, the commission recommended that the state mandate that urban centers provide sites within communities for community correctional centers and parole offices in proportion to the number of offenders from the area that are in the correctional system.

Institution Population Projections Uncertain

We withhold recommendation on \$144.2 million requested to fund inmate population growth, pending analysis of a revised budget proposal, population projections, and construction schedule, to be included in the May revision.

The budget requests an increase of \$144.2 million and 1,656 personnel-years to accommodate inmate population growth in institutions, and fund associated population-driven support service costs. The budget request consists of \$115.1 million from the General Fund, \$2.5 million from the Inmate Welfare Fund, \$26.4 million from the 1990 Bond Fund, and \$200,000 in reimbursements.

Based on past experience, we believe that this proposed request is likely to change because the inmate population projections which form the basis for the Governor's Budget proposal are usually significantly higher between January and the time that the Legislature approves the Budget Bill. For example, the 1989-90 Governor's Budget, released in January 1989, requested funding to support an average daily population of 82,190 inmates. By the May revision, five months later, the department revised its projection to 88,410, an increase of 6,220 inmates.

Since the prison population is continuing to grow, it is likely that the department's budget request will be revised significantly prior to the May revision. Pending receipt and analysis of the revised request, we withhold recommendation on \$144.2 million proposed for management of prison population growth.

Parole Population Projections Uncertain

We withhold recommendation on \$13.3 million requested to fund parole population growth, pending receipt and analysis of a revised parole population estimate, to be included in the May revision.

The budget requests an increase of \$13.3 million and 477 positions to accommodate population growth in the parole program. Based on past experience, we believe that this proposed request is likely to change because of fluctuations in the parole populations and department projections in the local assistance area. For example, between the spring and fall 1989 population projections, the department decreased its parolee and outpatient population projections for June 30, 1991 by about 1,400 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 \$13.3 million proposed for management of parole population workload.

Implementation of Strategies Needed to Reduce Short-Term Inmate Population

We recommend that, prior to budget hearings, the CDC provide the Legislature with a report on the implementation of its strategies to

DEPARTMENT OF CORRECTIONS—Continued

reduce the number of inmates serving short terms. Specifically, the report should include information on (1) which strategies the department intends to implement (2) how it proposes to implement these strategies, (3) an implementation timetable, and (4) an estimate of the cost or savings that may result from the implementation of these strategies.

In California, the state prison system has traditionally been the place where persons convicted of serious crimes serve lengthy sentences. The county jail system has been used to incarcerate persons who have one year or less to serve, usually for less serious offenses. Our analysis indicates, however, that the state prison system has taken on the characteristics of county jails in recent years because of the growing number of "short-term inmates."

"Short-term inmates," persons serving less than 12 months in state prison, now comprise more than 70 percent of California's prison inmate population. In general, short-term inmates fall into one of three categories (1) parole violators or inmates returned-to-custody (PV-RTC) by the Board of Prison Terms (BPT), (2) parole violators returned to custody by the courts with new terms (PV-WNT), and (3) new court commitments who serve less than a year. In 1988, *approximately 99 percent of all PV-RTCs and 57 percent of all PV-WNTs and new commitments released to parole had served 12 months or less in state prison.* Because PV-RTCs represent the bulk of the short-term inmate population, most of the following discussion is directed towards reducing their numbers.

Factors Contributing to the Short-Term Inmate Population. The exact reasons for the increase in the number of short-term inmates is unclear. The department, however, attributes the increase to several factors, including county jail overcrowding; an increasing use of incarceration as the only option to manage parole violators; the implementation of the Determinate Sentencing Law which has shortened the median incarceration time of PV-RTCs from about 18 months in 1977 to about 4 months currently; and the lack of any specific criteria to guide parole agents in making recommendations to revoke or not to revoke parolees, especially those returned to prison for technical and drug offenses.

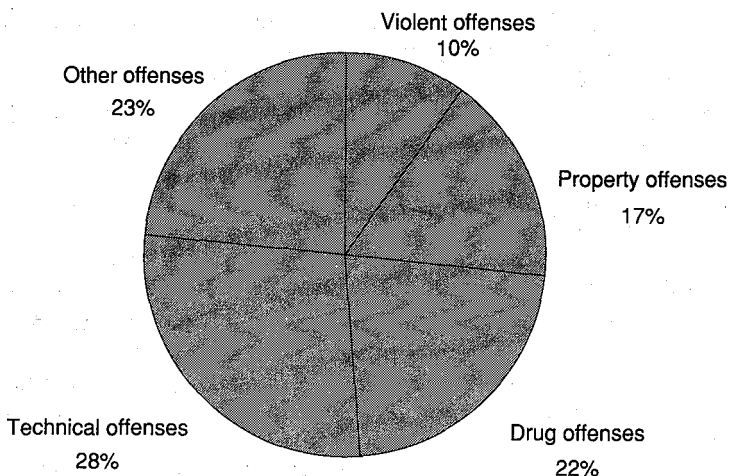
Parole Violation Categories. As Chart 2 shows, parole violations fall into five broad categories. Listed below are the five parole violation categories with a short summary of some of the types of offenses that fall within each category.

- **Violent offenses**—homicide, robbery, assault, rape.
- **Property offenses**—burglary, forgery, theft.
- **Drug offenses**—use of various illegal substances, such as cocaine, heroin, PCP.
- **Technical offenses**—failure to report to a parole officer, failure to notify a parole officer of a change in residence or place of employment.
- **Other offenses**—use of a firearm, driving under the influence of alcohol or drugs, arson, threatening or harassing another person.

Chart 2

Reasons Parole Violators Return to Custody

1988



Relative to the other parole violations, technical offenses are less serious in nature. However, as Chart 2 shows, technical offenses represent the largest category of parole violations, roughly 27 percent.

Fiscal and Programmatic Problems Presented By PV-RTCs. The increasing number of PV-RTCs present both fiscal and programmatic problems for the entire criminal justice system. We estimate that the annual costs associated with PV-RTCs who return to prison for technical offenses, to be quite significant. For example, in 1988, roughly 6,074 parolees were returned to prison for technical offenses. Our analysis indicates that the department's annual costs to incarcerate these individuals was about \$42 million. Another way to characterize their fiscal effect is by the annual number of institution beds these short-term inmates occupy. We estimate that technical violators occupied about 2,126 institution beds in 1988—roughly equivalent to the bed capacity of the new prison being constructed in Imperial County.

The programmatic problems PV-RTCs present result because most of the department's programs are designed for inmates that are going to be in the system for at least 12 months. The average length of stay for parole violators is a little over 4 months. Consequently, this short length of stay precludes most PV-RTCs from participating in any of the institution's educational and vocational programs.

DEPARTMENT OF CORRECTIONS—Continued***Department Develops Strategies to Deal With Short-Term Inmates.***

In a recently released report, the department proposes several strategies to deal with the fiscal and programmatic problems posed by short-term inmates. These strategies include housing, programming, and processing options such as:

- Developing specific criteria to be used by all parole agents when determining who should be continued on parole and who should be referred to the Board of Prison Terms for review.
- Expanding the department's parole programs and exploring new treatment options to better manage parolees who are a "high risk" for revocation.
- Developing plans for and funding the expansion of various community-based bed facilities.
- Establishing pre-release and other program options designed to successfully reintegrate short-term inmates into the community.

At the time this analysis was prepared, the department had not implemented any of the strategies proposed in its report.

Recommendation. Any policy or program changes that can reduce the number of short-term inmates in state prison, especially PV-RTCs, will have a dramatic fiscal and programmatic effect on the department's institutions and the entire parole revocation process. Accordingly, we recommend that, at the time of budget hearings, the CDC provide the Legislature with a report on the implementation of its strategies to deal with short-term inmates. Specifically, the report should include information on (1) which strategies it intends to implement, (2) how it proposes to implement these strategies, (3) an implementation timetable, and (4) an estimate of the costs or savings that may result from the implementation of these strategies.

Plan Needed for Community-Based Bed Activations

We withhold recommendation on \$60.4 million requested from the General Fund for the community-based bed program, pending receipt of a community-based bed activation plan.

The CDC's community bed program provides housing, food, and specialized programs for inmates on work furlough, parolees with substance abuse problems, inmate mothers with small children, and parole violators serving their revocation sentences in secure community facilities. Currently, most of the facilities housing these inmates and parole violators are operated by private providers under contract with the state.

In separate budget requests, the department proposes two significant changes in its community-based bed program. First, the budget proposes \$568,000 from the General Fund for 8.0 positions due to increased workload in the community-based bed program. Second, it proposes to change current budgeting practice by permanently transferring all contract funds for community-based beds from the parole program to the institutions program, a total of \$59.9 million in 1990-91.

The department currently operates about 3,500 community-based beds. It proposes to increase that number to 5,900 in the budget year.

Activation Delays a Continuing Problem. In each of the past two years, the department has experienced significant delays in activating new community-based beds. As a result, we recommended in each of the past two *Analyses* that the department provide the Legislature with a *community-based bed activation plan*. Such a plan is a necessary first-step in the expansion of the community-based bed program.

During hearings on the 1988-89 and 1989-90 Budget Bills, the department advised the Legislature that it would develop a community-based bed activation plan. Our analysis indicates, however, that although the department agreed to submit the plan, it still has not done so. In addition, the CDC continues to experience significant activation delays. For example:

- In a current-year deficiency request, the department proposes to transfer \$1.4 million in unused funds from the community-based bed program to the institutions program because of the cancellation and/or delay of 830 beds, roughly 51 percent of the new beds proposed for the current year.
- Furthermore, three years after the Legislature approved funding for a 50-bed restitution center, the facility is still not operating.

Community Based Bed Plan Needed. In the CDC's 1990-1995 *Facilities Master Plan*, the department projects that it will have 10,038 community beds on-line by 1995. This is an increase of 4,138 beds over the anticipated 1990-91 level, or an average of roughly 1,050 new bed activations annually for the next four years. The master plan, however, provides no rationale or specific fiscal estimate for the number or type of program beds projected. In light of the absence of a community-based bed activation plan and the department's uneven progress bringing community beds on-line, we are *skeptical* of its ability to meet the proposed activation schedule. Accordingly, we withhold recommendation on (1) \$568,000 from the General Fund for eight positions and (2) a budget transfer of \$59.9 million for the community-based bed program, pending receipt of a community-based bed activation plan at the time of the May revision. Such a plan should include:

- The department's goal for the number and type of community-based beds by region (such as return-to-custody, work furlough, substance abuse, mother infant, and restitution center) by 1995.
- The basis for the number of beds needed in each category.
- The department's methodology for determining costs or savings for the proposed beds.

Substance Abuse Treatment for Inmates and Parolees

Abuse of controlled substances (alcohol and other legal and illegal drugs) is widespread among California's prison inmates. In part, this is due to a steady increase in the number of persons incarcerated for drug-related offenses. In addition, drug use among parolees is a major factor contributing to the dramatic increase in the number of parole

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violators returning to prison in recent years. Until recently, the department had no overall strategy for addressing substance abuse problems of inmates and parolees.

In this analysis, we (1) examine the costs to the state of the rising inmate population with substance abuse problems, (2) describe the CDC's existing drug treatment efforts, (3) review the components of successful substance abuse treatment programs in correctional settings, (4) review the department's new plan for improving existing treatment efforts and its budget request for 1990-91, and (5) assess the chances for success of the department's proposal.

Drug Abuse is Widespread Among the Inmate Population and Is Costing the State Millions of Dollars

The CDC estimates that more than three-fourths of the entire inmate population, or about 60,000 inmates, have a history of abusing alcohol or drugs. In addition, an increasing percentage of inmates are being incarcerated for drug offenses (such offenses include possession, manufacture, sale, or transportation of illegal drugs). In 1983, 2,016 individuals (10 percent of total admissions) were admitted to prison with a drug offense as their primary, or most serious, charge. By 1988 the number of new admissions for drug offenses grew to 10,445, or 35 percent of the total admissions for that year. In all, the department reports that as of July 1989, there were 20,000 inmates (approximately 24 percent of the total population) whose primary offense was drug-related.

This figure, however, tends to understate the extent of the problem. This is because there are many thousands more inmates who are incarcerated for crime *related* to drugs (for example, burglary in which the aim of the crime was to attain money to buy illegal drugs). Data are not available which enables an estimate of the number of inmates who fall into this group.

Drug offenses are also a significant source of parole violations. This can happen when the parolee (1) violates the terms of his or her parole by using drugs, which is considered a "technical violation" or (2) commits a new drug-related crime. In 1988, 9,992 parolees, or 23 percent of all parolees, returned to prison, were returnees for a drug-related offense.

Drug Offenders Represent a Significant Cost to the State. We estimate that the department will spend more than \$440 million to incarcerate drug offenders in 1989-90. The department also will spend \$60 million for parole supervision for drug offenders. The state and local courts and law enforcement agencies, as well as victims, also experience unknown, but probably major costs, as a result of drug-related offenses.

What is the Department Doing to Treat Inmates Who Have Substance Abuse Problems?

Currently, the department provides three types of treatment programs for inmates with substance abuse problems: (1) the Civil Addict Program, (2) Narcotics Anonymous and/or Alcoholics Anonymous, and (3) specialized treatment services that are provided at some institutions. These

three programs serve less than 5 percent of the population identified as having a history of substance abuse. We estimate that the department will spend about \$1.5 million in the current year for these treatment services.

Civil Addict Program. The Civil Addict Program was established by the Legislature in 1961. It is the most comprehensive of the department's current treatment programs. The program provides rehabilitation to persons who are identified by the court as narcotic addicts. It is operated at the California Rehabilitation Center (CRC) in Norco. Individuals must satisfy a rigorous set of criteria before being committed to the program by the court.

The program has two phases. The first phase consists of treatment during incarceration and the second phase consists of outpatient treatment while on parole. During their incarceration, the inmates participate in a 120-hour education program designed to provide them with skills necessary to survive in society without returning to drug abuse. Vocational and academic education programs are available and prerelease programs prepare the addict for reentry to society.

Once released from prison, parolees participate in an outpatient parole program where they are closely supervised and subject to mandatory drug tests. If the parolee remains drug-free for one year and successfully complies with the conditions of parole, he or she may receive an early discharge from parole. Parolees who are found to be using drugs can be recommitted to the civil addict program and returned to CDC. In addition, parolees have the option to recommit themselves for up to 60 days.

Narcotics Anonymous/Alcoholics Anonymous. Each of the department's institutions has Narcotics Anonymous (NA)/Alcoholics Anonymous (AA) groups. Participation in the groups is voluntary. Estimates of the number of participants at each institution range from 9 to 210 inmates.

Each NA and AA group has a volunteer facilitator who is either a staff member, an individual from outside the prison, or an inmate. The programs consist of 12 progressive steps, each of which must be completed before the next is attempted.

Other Treatment Services. Some institutions have redirected funds in order to implement their own drug treatment programs. These programs vary by institution and are available only to inmates who are already assigned to that particular institution. Although these programs have access to technical assistance from the CDC's central office, there is little evaluation of the programs and no control of the treatment content.

An example of one such program is "Project Change," which was recently implemented at Sierra Conservation Center (SCC) in Jamestown. Project Change is a nine week, two-phase program focusing on victim's rights, self-esteem enhancement, and substance abuse education. The program serves 40 inmates.

DEPARTMENT OF CORRECTIONS—Continued**What is the Department Doing to Treat Parolees Who Have Substance Abuse Problems?**

There are currently two special programs that provide treatment to parolees who have substance abuse problems—the Substance Abuse Treatment Unit (SATU) and the Substance Abuse Revocation Diversion (SARD) programs. In addition, individual parole agents may refer parolees to local treatment agencies or support groups. The department will spend about \$14.8 million for these treatment services in the current year.

Substance Abuse Treatment Unit (SATU) for Parole Violators. The SATU is a 50-bed residential treatment program for parole violators whose violation was related to drug use. Violators are admitted to the unit, which is located in Fresno, rather than returning them to prison. Treatment is provided by a private contractor and custody is provided by the CDC.

Treatment consists of a three-phase, 90-day model that draws on methods similar to NA and AA treatment. Once the program is completed, the addict is expected to continue in a 30-day aftercare program which is supervised by a Parole Agent assigned to the program.

Substance Abuse Revocation Diversion (SARD) for Parole Violators. Like the SATU, SARD focuses on parolees who have violated their parole for reasons related to drug use. The program features intensive supervision by parole agents and increased funding per parolee to allow the agent to provide the parolee with specialized community care if necessary.

When a parolee is accepted into the program, staff develop a plan tailored to the parolee's needs. The purpose of the plan is to prevent further substance abuse. The plan may provide for drug testing, drug treatment, electronic surveillance, family counseling, curfews, or other types of intervention.

The program is designed to monitor parolees for 60 to 120 days. Once the SARD staff determine that the parolee is ready, he or she is transferred back to a standard parole unit for supervision. (We discuss the SARD program in greater detail later in this analysis.)

What are the Components of Successful Prison-Based Substance Abuse Treatment Programs?

Our research on substance abuse treatment in correctional facilities indicates that successful programs generally incorporate one or more of the following characteristics:

Programs are Based on a Social Learning Model. In other words, the programs help inmates develop social skills and learn to adapt to new situations, rather than treating emotional and psychological problems.

Treatment is Multifaceted. Rather than relying on addressing one particular deficit the inmate may have, programs provide a mix of training and counseling.

Residential Programs Have Certain Components. Residential treatment programs should be highly structured with clearly defined rules

and explicit expectations with regard to inmate behavior. The programs reinforce positive behavior and encourage inmates to develop social skills through limited self-government within the treatment group. An important component of the residential treatment programs is follow-up community aftercare, which provides support for the inmate returning to society.

Programs Include an Evaluation Component. This allows administrators and practitioners to assess the effectiveness of the programs.

Department's Plan for Treatment of Substance Abusing Offenders

Recognizing that the department had no strategy for addressing the substance abuse problems of its inmates and parolees, the Legislature adopted language in the 1989 Budget Act requiring the department to prepare a plan to treat substance abusing offenders. It directed the department to identify the number of inmates needing substance abuse treatment, the components of the treatment programs, and an estimate of the costs for implementing the programs in all prison facilities. The CDC submitted a plan to the Legislature in December 1989.

The department's plan covers 1990-91 through 1992-93 and includes a number of different components. The plan consists of several types of service with increasing levels of intensity, including expansion of the existing programs and several new components.

Budget Proposals for 1990-91. The CDC estimates that the costs of its plan will be approximately \$2.7 million in the budget year and rise to \$12.1 million by 1992-93, as shown in Table 6. As the table indicates, however, the budget requests only \$1 million from the General Fund to implement the plan in 1990-91. The department advises that it will seek the remainder of the funds for 1990-91 from the federal Drug Control and System Improvement Formula Block Grants. We discuss the budget proposal in more detail below.

It is important to note that most of the department's proposals are for the establishment of *pilot* projects. Should the department seek to expand these projects to all institutions, the costs would be many millions of dollars higher than shown in the table.

The components of the CDC's plan include the following:

Individual Substance Abuse Needs Assessment. The department will use a questionnaire to identify and assess the needs of inmates and parolees for substance abuse treatment. The questionnaire will be used in reception centers where inmates enter the prison system or at the time of their parole. It will also form the basis for the parole agent's decision as to what services are most appropriate when an inmate is paroled.

Drug Education. The long-range goal of the plan is to provide information about substance abuse and its treatment to all inmates. The department has identified two primary vehicles it will use to accomplish this. First, the department plans to implement a "Personal Responsibility Curriculum" in all of its education programs. Second, the department plans to locate a resource/learning center at each institution and parole office. The centers will distribute information and materials on substance abuse and treatment. The materials would come from various sources, such as NA and AA.

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Table 6
 Department of Corrections
 Proposed Substance Abuse Treatment Plan
 for Inmates and Parolees
 1990-91 through 1992-93
 (dollars in thousands)

	1990-91	<u>Projected Future Costs</u>	
		1991-92	1992-93
<i>Projects Requested in the 1990 Budget Bill:</i>			
Inmate and parolee drug education.....	\$240	\$240	\$240
Demonstration project—institution component.....	545	1,909	2,180
Demonstration project—parole component.....	266	1,598	1,598
	<u> </u>	<u> </u>	<u> </u>
Subtotals.....	(\$1,051)	(\$3,747)	(\$4,018)
<i>Projects for Which No Funds are Requested:</i>			
Inmate needs assessment	\$400	\$2,500	\$3,750
Parolee needs assessments	160	1,280	240
Drug testing demonstration	84	168	336
Improvements to existing programs.....	986	1,987	3,748
Bay Area Parole Services Network.....	10 ^a	—	—
	<u> </u>	<u> </u>	<u> </u>
Subtotals.....	(\$1,640)	(\$5,935)	(\$8,074)
	<u> </u>	<u> </u>	<u> </u>
Total	\$2,691	\$9,682	\$12,092

^a Federal grant funds provided in the current year will carry over to 1990-91.

Improvement to Existing Programs. The plan recognizes that existing programs for substance abusers should be used more effectively. It also recognizes that it may need to make changes in these programs.

- **Civil Addict Program.** The department advises that redirections and changes in priorities have diluted this program's original treatment intensity. The department indicates that it is studying what enhancements are necessary to improve this program.
- **Counseling Services.** Currently each inmate is assigned a counselor. Counselors generally help inmates develop their work and education programs and assist in reviewing their security classification level, but do not provide counseling for substance abuse. The department proposes to implement a feasibility study to determine whether existing staff counselors or contract counselors may have a role to play in substance abuse treatment in the institutions.
- **Pre-release Programs.** The department currently operates five pre-release programs that are designed to help inmates make a smooth transition from prison to parole. The plan proposes to evaluate how these programs can assist in substance abuse treatment.

Intensive Treatment Pilot Project. The plan proposes a demonstration project at the Richard J. Donovan Correctional Facility in San Diego. The project will consist of a housing program within the prison that is separate from the general population. The project will provide intensive substance abuse treatment to 250 inmates for 9 to 12 months. The project also includes an adjunct parole component to provide community aftercare.

The department plans to evaluate the project by comparing inmates and parolees who participate in the project to inmates who are not

participating but have similar characteristics. The comparison of success rates after parole between the two samples will be used to measure how effective the program is in reducing recidivism and drug use.

Drug Testing Demonstration Project. Drug testing has been shown to reduce drug trafficking and use in prison. The department has tentatively identified the California Rehabilitation Center (CRC) as the site for a drug testing demonstration project.

Ongoing Administrative Functions. In addition to the program enhancements and changes outlined above, the CDC's central office staff will provide technical assistance to institutions that want to implement some kind of substance abuse program within their existing resources. In addition, the department will develop new sanctions for inmates who use drugs in prison, such as forfeiture of work credits. The department also plans to evaluate its visitation procedures to determine the amount of drug trafficking that results from persons visiting the institutions.

Bay Area Services Network. The plan proposes developing as a pilot project, a Bay Area Services Network. The network would provide to parole agents in the area a list of the services available to parolees. The network would serve as a test model for good parole case management and continuity of care for parolees.

Will The Department's Plan Be Successful at Reducing Substance Abuse Among Inmates and Parolees?

Our review indicates that the CDC's plan for treating inmates and parolees who have substance abuse problems contains many components necessary for successful treatment programs. The Governor's Budget does not, however, request sufficient funds to implement the program in 1990-91. Although the department plans to seek future federal funds to implement portions of the program, it is not clear whether these funds will be available.

The Plan Contains the Components of Success. In general, our review of the CDC's proposed plan indicates that many of the features we identified as characteristics of successful drug treatment programs have been included. In addition, in developing the plan, the department invited the federal Bureau of Justice Assistance (BJA) to review its existing programs and make recommendations for improving its programs. The plan appears to incorporate the recommendations made by the BJA.

The Plan is Not Fully Funded for the Budget Year. Although the department has taken a comprehensive approach to substance abuse, *the budget includes less than one-half of the funds the department identified it would need to implement the plan in the budget year.* As Table 6 shows, several elements of the program are not funded in the 1990 Budget Bill at all. The department advises that it will seek funds from the federal Drug Control and System Improvement Formula Grant to implement these elements.

Our analysis indicates, however, that it is uncertain whether these funds will be available. For example, the Governor's Budget allocates all

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of the federal grant funds appropriated by Congress for federal fiscal year 1990 (October 1989 through September 1990) to a variety of state and local agencies, but none to the CDC. Moreover, it is not clear whether additional federal funds will be available for federal fiscal year 1991 or how these funds would be allocated. (We discuss the Drug Control and System Improvement Formula Grant proposals in more detail in our analysis of the Office of Criminal Justice Planning—please see Item 8100).

What Can the Legislature Do to Help Insure Success of Correctional Drug Treatment Programs? As we noted earlier, California spends almost \$500 million annually to incarcerate and supervise drug offenders. In contrast, the department spends only \$1.5 million for treatment of inmates. To the extent that treatment for substance abusing inmates results in lower recidivism rates or at least longer intervals between rearrest or revocation of parole, expenditures on treatment programs are justified on a fiscal basis alone.

As we indicated earlier, the department has proposed to implement three pilot programs in the budget year. In addition, the department has identified other programs that are an important part of a comprehensive drug treatment plan, but has not requested funding for the programs. If these pilot efforts are successful and the Legislature concludes that treatment of the entire inmate and parole population is a priority, then it may wish to expand the programs to provide treatment to additional inmate and parole populations.

Extension of the Substance Abuse Revocation Diversion (SARD) Pilot Program

We recommend the adoption of supplemental report language directing the CDC to include in its September 1990 report on the SARD program the following information: (1) the number of program participants monitored via electronic surveillance, (2) the cost of such monitoring, and (3) an evaluation of the SARD electronic monitoring system.

The 1990-91 budget proposes \$9.5 million and 110 positions to extend the Substance Abuse Revocation Diversion (SARD) pilot program for one additional year. The Legislature established the SARD program in the 1988 Budget Act as a two-year pilot program. The SARD program provides intensive community supervision to substance abusing parolees who, if not for the program, would be returned to state prison for technical parole violations involving the use of drugs. The movements of a portion of the SARD program participants are monitored with electronic surveillance equipment.

Various unanticipated factors delayed full implementation of SARD for nine months. Thus, the program has been in full operation for less than a year. As a result, the department proposes to continue SARD one additional year to gather sufficient data on the program.

Preliminary SARD Data Is Inconclusive. The department recently provided an interim report to the Legislature on the SARD program, as

requested in the *Supplemental Report of the 1988 Budget Act*. Unfortunately, because of the program's implementation delays, the report's findings were based on only a few months of data and were inconclusive. The department has provided us with additional data that, although still preliminary, suggests that (1) SARD participants, on average, stayed on parole 35 percent longer than other parolees before their first revocation (85 days versus 115 days) and (2) when SARD participants' parole status was revoked, generally, it was for a technical parole violation, rather than a more serious criminal offense.

Conclusions. Our review indicates that more data is needed to evaluate the SARD program fully. *Consequently, we recommend approval of the department's budget request to extend the program for one additional year.*

The *Supplemental Report of the 1988 Budget Act* requested the department to provide a final report evaluating the SARD program to the Legislature by September 1990. This report will include data on the number of participants in the program, their average length of stay, the number and types of parole violations occurring within SARD, the number of SARD participants returned to custody, and a cost analysis of the program.

SARD Report Should Include Information on Electronic Monitoring. In the 1988 Budget Act, the department received a grant from the Office of Criminal Justice Planning (OCJP) to purchase electronic equipment to monitor the whereabouts of parole violators. The department is using this equipment to monitor a portion of the SARD program participants. The 1988 Supplemental Report, however, did not require the department to report on SARD's electronic surveillance system. We believe that such a review would help the Legislature evaluate the costs and benefits of electronic surveillance techniques. Therefore, we recommend that the Legislature adopt supplemental report language directing the department to include information in its September 1990 SARD report on the electronic surveillance program.

Specifically, we recommend adoption of the following language:

The Department of Corrections shall include in its final report on the Substance Abuse Revocation Diversion (SARD) pilot program the following information: (1) the number of program participants monitored via electronic surveillance, (2) the cost of such monitoring, and (3) an evaluation of SARD's electronic monitoring system.

Case Records and Parole Revocation Staff Unjustified

We recommend a General Fund reduction of \$878,000 and 20.5 positions requested to address case records and parole revocation hearings workload because the department was unable to justify the request. (Reduce Item 5240-001-001 by \$878,000.)

In two separate requests, the budget proposes a total of \$878,000 from the General Fund and 20.5 positions to address the department's case records (\$313,000 and 9.5 positions) and parole revocation hearing (\$565,000 and 11.0 positions) workloads. These positions would be in

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addition to the current case records and parole revocation hearing staff already located in the four regional parole offices.

While we recognize that the parole and parole violator populations are growing, the department was unable to provide sufficient workload data to justify these requests. Such data would consist of estimated case records and parole revocation hearing workload by region and backlog and overtime data related to these two functions. Additionally, the department was unable to provide information which would enable the Legislature to determine the number and types of staff needed to address the case records and parole revocation hearing workload.

Without the necessary information and data to justify this request, we recommend the Legislature delete a total of \$878,000 from the General Fund and 20.5 positions.

Mental Health Care for Inmates

The CDC requests approximately \$40 million from the General Fund in order to provide mental health services to inmates in the budget year. The following analysis provides a number of findings and recommendations regarding the existing and proposed mental health programs.

Background—Inmate Mental Health Treatment

Mental health care for male inmates occurs on four levels: acute inpatient psychiatric care, a day treatment program, satellite intermediate outpatient care, and institutional mental health screening and stabilization units. These four levels are designed to provide a continuum of care for mentally ill inmates. (Services for female inmates differ and are also discussed below.)

Acute Inpatient Psychiatric Care. The acute inpatient psychiatric care units are located at the California Medical Facility (CMF) at Vacaville. The units are part of the CMF's licensed hospital, but are operated by the Department of Mental Health (DMH). In addition, the CDC contracts with DMH for additional inpatient care at various state mental hospitals. Only those inmates who are acutely mentally ill are treated in these programs.

Day Treatment Program. The day treatment program is also operated by the DMH and is a component of the acute care psychiatric hospital at CMF. This treatment program provides a less intensive level of care than the inpatient program, but a higher level of care than the satellite outpatient treatment programs in the prisons.

Intermediate Outpatient Care. The Legislature appropriated \$3.1 million in the 1989 Budget Act to establish the satellite intermediate outpatient care program in the current year. There are two satellite units: one at CMF and one at the California Men's Colony in San Luis Obispo. These units are operated by CDC and treat inmates who do not need acute psychiatric care, but who need a higher level of care than can be provided for the general prison population.

Other Institutional Care. Each prison that does not have a satellite unit has a smaller mental health unit which is operated by CDC staff.

These units screen and identify inmates in the general population who are experiencing mental illness and treat inmates whose illnesses have stabilized.

Mental Health Care for Female Inmates. Female inmates have access to acute psychiatric care in the state mental hospitals and screening and stabilization in the mental health units in the women's prisons. However, there is currently no intermediate care level or satellite unit available to female inmates.

Better Coordination Needed Between CDC and DMH

We recommend that the CDC and DMH report to the Legislature, prior to budget hearings, on formal procedures that can be put in place for the joint development of mental health treatment plans for inmates and sharing of information on cases.

As discussed earlier, the DMH provides most inpatient treatment for inmates while the CDC provides other institutional care. Our analysis indicates that there is little coordination of treatment or sharing of information between the two departments. This results in duplication of effort and a lower quality of patient care, thereby reducing the cost-effectiveness of the programs.

Duplication of Effort. For example, once an inmate is admitted to an inpatient program, the DMH develops a treatment plan which is used while the inmate is in the DMH facility. When the inmate has stabilized or is unable to benefit from further treatment, he or she is released to the CDC's satellite intermediate outpatient program. However, our review found that little information about the inmate's treatment, except for medication requirements, is forwarded to the CDC. Because of the lack of information, the CDC psychiatrist must reevaluate the inmate and determine what level of treatment will be needed in the outpatient setting. The CDC then develops a new treatment plan, generally without the benefit of information from DMH. Thus, the current arrangement requires that two complete psychiatric evaluations take place and two distinct treatment plans be developed. Such duplication of effort is inefficient and costly.

Lower Quality of Care. In addition, our analysis indicates that, without information from DMH, the CDC is unaware of a patient's special treatment needs. As a consequence, the patient may become more seriously mentally ill and require more extensive treatment, or have to return to the acute inpatient care program. This has significant fiscal implications because acute inpatient care is the most expensive type of mental health treatment. In addition, if the DMH is unaware of treatments that have been attempted in the CDC programs, useless and costly repetitions of unsuccessful treatments may occur.

Accordingly, we recommend that the CDC and DMH report to the Legislature, prior to budget hearings, on formal procedures that can be put in place for the CDC and DMH to jointly develop treatment plans and share information on patient care.

DEPARTMENT OF CORRECTIONS—Continued**Department Proposes a New Outpatient Psychiatric Care Program for Women**

We withhold recommendation on \$900,000 requested from the General Fund for an outpatient psychiatric care program for female inmates, pending (1) receipt of a plan on staff recruitment, and (2) development of a better coordination plan between CDC and DMH on inmate treatment plans.

The department requests \$900,000 and 15 positions to expand existing psychiatric care programs for female inmates. The proposal will provide female inmates an intermediate level of mental health care equal to that available in the men's prisons. Specifically, the CDC proposes to establish a satellite intermediate outpatient psychiatric treatment facility at the California Institution for Women (CIW) and additional psychiatric referral and institutional care for the female populations at Avenal State Prison and the Northern California Women's Facility. These programs are similar to those approved by the Legislature last year for the men's prisons.

Existing Program Inadequate. The CDC contracts with the DMH to provide inpatient treatment for acutely mentally ill female inmates at the Metropolitan State Hospital. The contract provides for 20 beds at the hospital.

The department has designated the CIW as the site for housing and treating mentally ill female inmates who are not acutely ill, but require a higher level of care than the general prison population.

Currently, 13 staff provide psychiatric treatment at CIW. These staff perform *all* the psychiatric evaluation and support functions in the prison, including psychiatric evaluations on all referrals for treatment, court-ordered evaluations, Board of Prison Terms-directed evaluations, and support services to female inmates who have contracted AIDS, or who have been infected with the AIDS virus.

The department indicates that there is insufficient staff to serve all the inmates that need treatment. Current staffing levels are adequate to provide group counseling and individual therapy for approximately 20 inmates. However, the department has identified over 400 female inmates who need mental health services.

The department believes that, by providing additional psychiatric services to the inmate population, signs of inmate destabilization will be recognized earlier. This will permit earlier intervention, thereby avoiding admission to limited and expensive acute inpatient care beds at the state mental hospital.

Analyst's Assessment of Proposal. We recognize the need to address the mental health needs of female inmates and believe that the department's proposal has merit. However, we are concerned that the CDC has not adequately addressed two issues: (1) staff recruitment and (2) coordination of services with DMH.

As regards staff recruitment, both the CDC and DMH are experiencing difficulty recruiting and retaining psychiatric staff in the prisons. Cur-

rently, the CDC has been able to fill 2 out of 10 psychiatrist positions approved by the Legislature in the 1989 Budget Act. We have no reason to expect recruitment to be any easier for the women's program. We are concerned that these staffing deficits may affect the ability of the department to provide adequate care.

As regards coordination, our review of the mental health programs for male inmates indicates that there is little coordination between CDC and DMH on treatment plans for inmates. This lack of coordination results in inefficient use of resources and affects the quality of patient care. Unless coordination between the two departments is formalized, we expect the same inefficiencies to occur in the programs for female inmates.

Accordingly, we withhold recommendation on the request, pending (1) receipt of the CDC's plan to recruit psychiatric staff to CIW and (2) development of a plan for better coordination between CDC and DMH in the development of inmate treatment plans.

Interagency Agreement with Department of Mental Health May be Overbudgeted

We withhold recommendation on \$3.2 million requested from the General Fund for the CDC's interagency agreement for services provided by the Department of Mental Health, pending receipt of additional information on the scheduled treatment activities and related staffing.

As we indicated above, acute psychiatric inpatient care services are provided at the CMF by the DMH under an interagency agreement between the two departments. The staff at the facility are DMH staff, and staffing levels and programs are all determined using DMH standards. The program is currently budgeted at 223 acute care treatment positions and \$15 million from the General Fund. (The CDC reimburses DMH for these costs.) This provides a treatment ratio of 1.5 staff per patient.

Under the terms of the agreement, DMH is to provide planned scheduled treatment (PST) similar to that provided to CDC patients at other DMH-operated state hospitals. Staffing and reimbursements are based on an average of 20 hours per inmate per week of PST. This includes group and individual therapy, rehabilitative therapy, and patient government. In addition, PST activity levels are used to determine the number and type of staff necessary to run the program.

Program Overstaffed. During our review of the CDC/DMH contract, we found that the program at CMF was overstaffed by 50 positions on the basis of the DMH's staffing standards for an acute psychiatric program. As a result of this overstaffing, we estimate that CDC's reimbursements for DMH are too high by \$1.8 million.

Insufficient Treatment Provided. In spite of DMH's apparent overstaffing, we found that the department was providing only about six hours of treatment services per patient, instead of 20 hours as required. As a result, we estimate that the CDC is paying the DMH about \$1.4 million for services that are not being provided.

The DMH indicates that there are a number of reasons why it has been unable to meet the contracted treatment levels. Space and staff limita-

DEPARTMENT OF CORRECTIONS—Continued

tions have been identified as primary reasons, as well as patient unavailability due to meals and "lock downs" for purposes of counting inmates to be sure all persons are accounted for.

We find these reasons questionable. First, CDC recently completed a remodeling effort in order to meet requirements for licensure of the hospital and treatment activity needs. The DMH was included in this process and provided input for the remodeling. Second, we have only been able to identify 45 minutes during the day between 8:00 a.m. and 4:30 p.m. when the inmates are unavailable for treatment.

In response to our questions, the CDC advised that it was unaware that DMH was not providing the amount of care it was contracted to provide.

Recommendation. The CDC entered into the contract with DMH as a result of a lawsuit regarding inadequate treatment levels. We are particularly concerned about whether the levels of care currently provided could result in further litigation. If the DMH cannot provide the treatment for which it is staffed and contracted, then other options should be examined for treatment of mentally ill inmates.

Accordingly, we withhold recommendation on \$3.2 million requested for the portion of the interagency agreement that applies to service levels until the DMH and CDC provide the Legislature with information showing that the staffing and treatment levels being provided to inmates are commensurate with the levels required in the contract.

Mental Health Interagency Agreement—Technical Budget Issue

We recommend a General Fund reduction of \$408,000 for the interagency contract between the CDC and the DMH because of overbudgeting. (Reduce Item 5240-001-001 by \$408,000.)

The budget requests an increase of \$1.5 million for the interagency agreement between the CDC and DMH for acute psychiatric care for inmates at CMF and at various state hospitals.

Our analysis indicates that the amount is overbudgeted by \$408,000 for two reasons. First, the CDC has included a \$236,000 increase for additional nursing staff in the agreement *twice*.

Second, the amount requested for the nursing staff is too high by \$172,000, because the nursing staff will *replace* the need for existing Medical Technical Assistant (MTA) staff. (For further detail regarding this issue, please see Item 4440, Department of Mental Health.)

Workers' Compensation Claims and Costs Soaring

We recommend the adoption of supplemental report language directing the department to prepare a report on its workers' compensation program costs.

The CDC proposes 23 new positions to manage the workers' compensation program in the institutions. In addition, the department intends to redirect another 23 existing positions for the same purpose. The CDC has not requested additional funding, although the total cost of the positions

will be approximately \$2.4 million. The department expects that the savings generated by the enhanced management will offset the increased staffing costs.

Costs are Increasing. Workers' compensation program costs for the CDC have increased dramatically over the past eight years. In 1980, there were 927 claims against the department for disabling injuries. By 1988, that amount had almost doubled to 1,726. The department advises that, on average, *each prison has 380 active workers' compensation claims* for disabling and nondisabling injuries. These claims are in various stages of investigation and payment. This represents more than 6,000 outstanding claims departmentwide.

The costs for claims and related payments increased from \$10.8 million in 1980 to \$37 million in 1988. The department estimates that the costs for 1989 will be near \$42 million.

Current Management of Workers' Compensation Program. Currently, no individual has overall responsibility for reviewing and monitoring an institution's workers' compensation cases. There are four professional staff in the central office that coordinate the worker's compensation program for the whole department. In addition, each prison has designated one or more individuals with responsibility for a specific aspect of the program. For instance, the chief medical officers review medical reports and determine fitness for duty, administrators review and approve final disability settlements, and business managers make referrals for any necessary outside services. There are also numerous staff that have partial responsibility for other parts of the program.

The department believes that, because of the lack of one specific coordinator dedicated to the workers' compensation programs at each prison, little oversight occurs. Individuals who are injured do not always receive adequate information on their benefits, and questionable claims are not investigated. The result is that the department needlessly becomes involved in litigation, or loses a valued employee due to a lack of early intervention, and comprehensive program coordination.

Additional Staff Will Manage Program in Institutions. The CDC believes that the additional staff will provide better initial coordination and follow-up on workers' compensation cases. The department expects that the new positions will provide information about the program to injured workers, coordinate investigations on questionable claims, and facilitate return to work of injured employees.

The additional staff will also provide "early intervention." Early intervention is a recognized approach to claims management that minimizes workers' compensation claims and reduces costs for claims filed. With early intervention, the agency quickly identifies an injured or ailing worker and provides appropriate services. These can range from doctor visits, to employee assistance programs, to a change in duties. Effective early intervention programs typically require immediate action and close surveillance of all claims and injuries. Services to employees at risk of developing a disability are carefully coordinated to ensure a safe and timely return to work. In addition, through careful coordination,

DEPARTMENT OF CORRECTIONS—Continued

questionable claims are thoroughly documented.

CDC believes that the improved operation of the program will reduce costs. The cost reductions will come as a result of reduced litigation, fewer industrial disability retirements and earlier return to work.

Legislature Should Monitor Costs. We agree that improved coordination of the program could result in lower costs. We also agree that staff dedicated to the program is a reasonable approach to improving the management of the workers' compensation program.

However, given the magnitude of the problem, and its fiscal implications, we believe that the Legislature should closely monitor the CDC's efforts. Thus, we recommend that the Legislature adopt supplemental report language directing the department to prepare a report on the workers' compensation program. The report should include the amount of the unfunded liability due to workers' compensation claims and an evaluation of the effectiveness of the additional staff provided to manage the program.

Specifically, we recommend the following language:

The Department of Corrections shall report to the Legislature by November 1, 1992 on its workers' compensation program. The report shall include (1) the amount of the unfunded liability due to workers' compensation claims and its growth for the past five years, (2) the number of open claims and their growth over the past five years, and (3) an evaluation of the effectiveness of the staffing increase which was approved in the 1990 Budget Act.

Additional Information Needed on Prison Construction Claims

We withhold recommendation on \$3.3 million requested from bond funds to provide for review and analysis of construction claims, pending receipt of further information from the department.

The budget requests \$3.3 million from bond funds to provide legal and professional consultants to review and analyze claims filed against the state by contractors on state prison construction projects. This is the same amount included in the current year. These claims include claims for construction costs incurred 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.

Last year, the department advised the Legislature that a large volume of the claims outstanding was related to the department's initial prison construction projects. The department indicated that it expected the high claim level to decrease as these claims were settled. In addition, the department advised that it expected a much lower incidence of claims on the later prison projects.

We believe that the department should assess and resolve construction claims. However, we question the need for the *same level* of legal staff and consultants to handle claims in the budget year. If, as the department has indicated, the high claim level is primarily attributable to early construction projects, the Legislature should expect to see decreases in legal costs as claims on early projects are settled.

At the time this analysis was prepared, we were awaiting information from the department regarding the status of existing claims and new claims that have been filed. Pending receipt and analysis of this information, we withhold recommendation on the department's request for \$3.3 million.

Security Staff Unnecessary

We recommend deletion of \$466,000 requested from the General Fund to provide security at two trials because the trials will be completed in the current year. (Reduce Item 5240-001-001 by \$466,000.)

The department requests \$466,000 from the General Fund to provide security at the Marin County Courthouse for two trials involving four inmates from San Quentin State Prison.

Our review indicates that the trials have entered the penalty phase and should be completed before the end of the current year. Thus, the requested funding will not be necessary. Consequently, we recommend a General Fund reduction of \$466,000.

Department Needs to Identify Impact of Unallocated Reduction

We recommend that, prior to budget hearings, the department report to the Legislature on its plan for absorbing an unallocated General Fund reduction of \$20.6 million proposed in the Governor's Budget.

The Governor's Budget for 1990-91 reflects an unallocated reduction of \$20.6 million from the General Fund to the CDC. The budget document refers to this reduction as an "unallocated savings requirement." At the time this analysis was prepared, neither the Department of Finance nor the CDC could provide any information on how the reduction will affect current service levels or how the department plans to achieve the reduction.

Historically, the department has requested large deficiency allocations at the midpoint of the fiscal year. For instance, in 1987-88 and 1988-89, the CDC requested augmentations of \$87 million and \$37 million, respectively. In the current year, the department requested a deficiency augmentation of \$28 million.

We question the ability of the CDC to absorb a \$20.6 million reduction without requesting another deficiency augmentation in 1990-91. Accordingly, we recommend that the CDC report to the Legislature, prior to budget hearings, on its plan to achieve the required savings and what effect it will have on the current levels of service provided by the department.

Capital Outlay

The Governor's Budget proposes an appropriation of \$21.9 million in Item 5240-301-751 for capital outlay expenditures in the Department of Corrections. Please see our review of this item in the capital outlay section of this *Analysis* which is in the back portion of this document.

DEPARTMENT OF CORRECTIONS—REVERSION

Item 5240-495 from the General
Fund

Budget p. YAC 1

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item proposes to revert to the General Fund the unencumbered balance (\$557,000) of the funds appropriated to the Department of Corrections (CDC) from the General Fund in Ch 922/85 (AB 1199, Elder). This bill appropriated a total of \$750,000 to the CDC and the Department of the Youth Authority for the purpose of providing protective vests for peace officers within these departments. The CDC received \$651,000 of the appropriation and spent \$94,000 in 1988-89 for protective vests. The remaining \$557,000 has been carried forward into the current year.

Our analysis indicates that the proposed reversion is appropriate. Thus, we recommend approval.

BOARD OF CORRECTIONS

Item 5430 from the General
Fund and various special
funds

Budget p. YAC 37

Requested 1990-91	\$219,254,000
Estimated 1989-90	160,596,000
Actual 1988-89	126,189,000
Requested increase (excluding amount for salary increases) \$58,658,000 (+37 percent)	
Total recommended reduction	199,000

1990-91 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5430-001-001—Support	General	\$556,000
5430-001-170—Support	Corrections Training	1,917,000
5430-001-711—Support	County Correctional Facility Capital Expenditure, Bond Act of 1986	1,915,000
5430-001-796—Support	County Correctional Facility Capital Expenditure and Youth Facility, Bond Act of 1988	430,000
5430-101-170—Local assistance	Corrections Training	14,274,000
Total, Budget Bill Appropriations		(\$19,092,000)
Continuous appropriation—Local assistance	County Jail Capital Expendi- ture, Bond Act of 1981	9,081,000

Continuous appropriation—Local assistance	County Correctional Facility Capital Expenditure, Bond Act of 1986	140,795,000
Continuous appropriation—Local assistance	County Correctional Facility Capital Expenditure and Youth Facility, Bond Act of 1988	43,844,000
Continuous appropriation—Local assistance	Prison Construction, Bond Act of 1988	6,442,000
Total, State Funds		<u>\$219,254,000</u>

SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS*Analysis
page*

1. *Contract Funds. Reduce Item 5430-001-711 By \$199,000.* 812
Recommend deletion of \$199,000 for the Corrections Management Information System (CMIS) because a third year of funding is not needed.
2. Jail Overcrowding. County jails are 45 percent overcrowded and will remain at least 30 percent overcrowded through 1994. Concurrently, jail operating costs continue to rise as a percent of total county expenditures. 813

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 49.2 personnel-years in the current year.

ANALYSIS AND RECOMMENDATIONS

The budget proposes appropriations totaling approximately \$219 million from various state funds to support the Board of Corrections (BOC) in 1990-91. Of this amount, only \$19.1 million is proposed from appropriations in the Budget Bill. The remaining \$200 million consists of bond fund revenues that are proposed for expenditure from continuous statutory appropriations.

The total budget request represents an increase of \$58.7 million, or 37 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 construc-

BOARD OF CORRECTIONS—Continued

tion projects funded by the bond acts of 1986 and 1988.

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

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

<i>Program</i>	<i>Actual 1988-89</i>	<i>Est. 1989-90</i>	<i>Prop. 1990-91</i>	<i>Percent Change From 1989-90</i>
Standards for detention facilities	\$479	\$661	\$814	23.1%
Standards and training	12,301	14,648	16,191	10.5
Administration	(1,682)	(1,874)	(1,917)	2.3
Local assistance	(10,619)	(12,774)	(14,274)	11.7
Jail construction finance	113,409	145,287	202,249	39.2
Administration	(1,533)	(2,030)	(2,087)	2.8
Local assistance	(111,876)	(143,257)	(200,162)	39.7
Totals, Expenditures	\$126,189	\$160,596	\$219,254	36.5%
Funding Sources				
General Fund	\$479	\$540	\$556	3.0%
Corrections Training Fund	12,301	14,648	16,191	10.5
County Correctional Facility Capital Expenditure Fund, Bond Act of 1986	50,277	78,819	142,710	81.1
County Jail Capital Expenditure Fund, Bond Act of 1981	43,622	26,733	9,081	-66.0
County Jail Capital Expenditure Fund, Bond Act of 1984	19,560	7,691	—	-100.0
County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988	—	1,154	44,274	— ^a
Prison Construction Fund, Bond Act of 1988	—	31,011	6,442	-79.2
Personnel-Years	36.0	49.2	50.6	2.8%

^a Not a meaningful number.

**Contract Funds for Corrections Management Information System (CMIS)
Study Unnecessary**

We recommend reduction of \$199,000 from the County Correctional Capital Expenditure Fund, Bond Act of 1986, for contract funds related to the CMIS study because funding will not be needed in the budget year. (Reduce Item 5430-001-711 by \$199,000.)

The budget proposes \$199,000 from the County Correctional Facility Capital Expenditure Fund, Bond Act of 1986, to continue for a third year a contract with the Department of Justice (DOJ) to evaluate the feasibility of implementing the Corrections Management Information System (CMIS). The BOC received \$199,000 in each of the fiscal years 1988-89 and 1989-90 to contract for the study.

If implemented, CMIS would allow state and local correctional agencies to maintain a variety of data on individual offenders and the prison, probation, and parole populations. Such information would permit these

agencies to retrieve and analyze data on various facility bed capacities, probation and parole caseloads, treatment program participation, and inter-system population movement. Currently, a statewide comprehensive criminal justice data collection system does not exist.

Our analysis indicates that the funds requested to continue this contract are not needed. According to the BOC, the DOJ is scheduled to release the feasibility study by the end of the current fiscal year. Therefore, the proposed contract funding for a third year of the study is not needed. Moreover, the board advises that any funding needed to *implement* CMIS would be provided in a proposed 1990 bond measure. Consequently, our analysis indicates that the proposed contract funding is not needed in the budget year and we recommend that the funds be deleted.

County Jail Overcrowding Continues

Currently, county jails are 45 percent overcrowded. By 1994, the Board of Corrections projects that jail overcrowding will remain at about a 30 percent overcrowding level. As jail overcrowding continues, counties also face increased jail operating costs.

Since the county jail construction financing program began in 1981, the state has provided roughly \$1.5 billion to counties for jail design and construction. Nonetheless, county jails remain overcrowded.

Chart 1 shows the populations and bed capacity of the county jails. As the chart shows, the bed capacity of county jails increased, from 31,836 in 1980 to 44,331 in 1988, or 39 percent. During the same period, the average daily population (ADP) in county jails increased by 122 percent, from 28,946 to 64,332. Consequently, these figures show that (1) county jails currently are 45 percent overcrowded, and (2) roughly 20,000 additional county jail beds are needed to eliminate jail overcrowding.

The board projects that between 1988 and 1994 the county jail ADP could rise another 45 percent to 93,000 inmates. During the same period, the board estimates that county jail bed capacity will increase to 71,600. These figures indicate that (1) the jail population will continue to outpace the anticipated increase in the number of county jail beds, (2) county jail overcrowding, while somewhat diminished, will remain at 30 percent, and (3) roughly 21,000 additional county jail beds would be needed by 1994 to eliminate overcrowding.

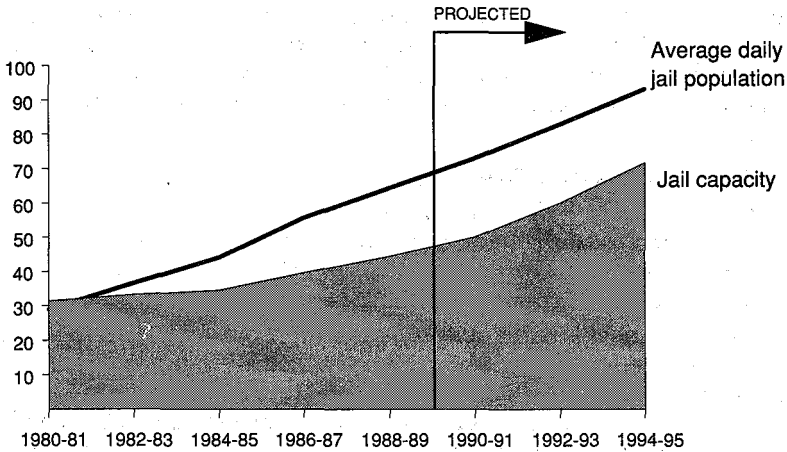
Factors Contributing to Overcrowding. In general, the board largely attributes the jail overcrowding problem to a more aggressive and restrictive criminal justice system, as measured by the number of arrests and convictions that result in jail bookings and the average length-of-stay after a jail booking. Between 1983 and 1988, jail bookings increased 27 percent, from 1.1 million to 1.4 million. During the same period, the average length of stay in county jails increased from 14.2 days to 16.3 days. Separately, the increased jail bookings and longer lengths-of-stay appear relatively modest. In combination, however, they significantly affect the ADP of county jails.

BOARD OF CORRECTIONS—Continued

Chart 1

County Jail Overcrowding Continues Despite State Aid

1980-81 through 1994-95 (in thousands)



County Jail Operating Costs Increasing. Concurrent with the rising jail populations and overcrowding, counties also face increased jail operating costs. A recent board report entitled, *the State of the Jails: Jail Operating Costs*, analyzed the jail operating costs for 20 facilities constructed in 15 different counties since 1980. The report documents that jail operating costs are increasing and provides suggestions to reduce or offset these costs.

Between 1984 and 1987, jail operating costs as a percentage of total county expenditures increased from 4.8 percent to 5.3 percent for the 15 counties surveyed. Although less than 1 percent, this increase represents a total increase of \$174 million during the three-year period. Over 30 years, jail operating costs far outweigh initial planning and construction costs. For example, 10 years ago, the BOC estimated that operating costs, over a 30-year period, were 10 times the jail construction costs. Today, that factor could be as high as 16 times the initial construction costs.

BOARD OF PRISON TERMSItem 5440 from the General
Fund

Budget p. YAC 43

Requested 1990-91	\$13,392,000
Estimated 1989-90	12,263,000
Actual 1988-89	9,387,000
Requested increase (excluding amount for salary increases) \$1,129,000 (+9.2 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS*Analysis
page*

1. Salary Savings. Recommend that, prior to budget hearings, the board and the Department of Finance report on (a) the reasons for and the effects of the board's 1990-91 salary savings rate, and (b) an estimate of its normal salary savings level. 817

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 149.1 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes an appropriation of \$13.4 million from the General Fund for support of the BPT in 1990-91. As shown in Table 1, this is an increase of \$1.1 million, or 9.2 percent, above estimated current-year expenditures. The proposed augmentation reflects increased workload for parole and parole revocation hearings and death penalty reviews, as well as various other workload and cost increases.

BOARD OF PRISON TERMS—Continued

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

	<i>Actual</i>	<i>Est.</i>	<i>Prop.</i>	<i>Change From 1989-90</i>
	<i>1988-89</i>	<i>1989-90</i>	<i>1990-91</i>	<i>Percent</i>
Expenditures (<i>General Fund</i>)	\$9,387	\$12,263	\$13,392	9.2%
Personnel-years	125.6	149.1	159.0	6.6

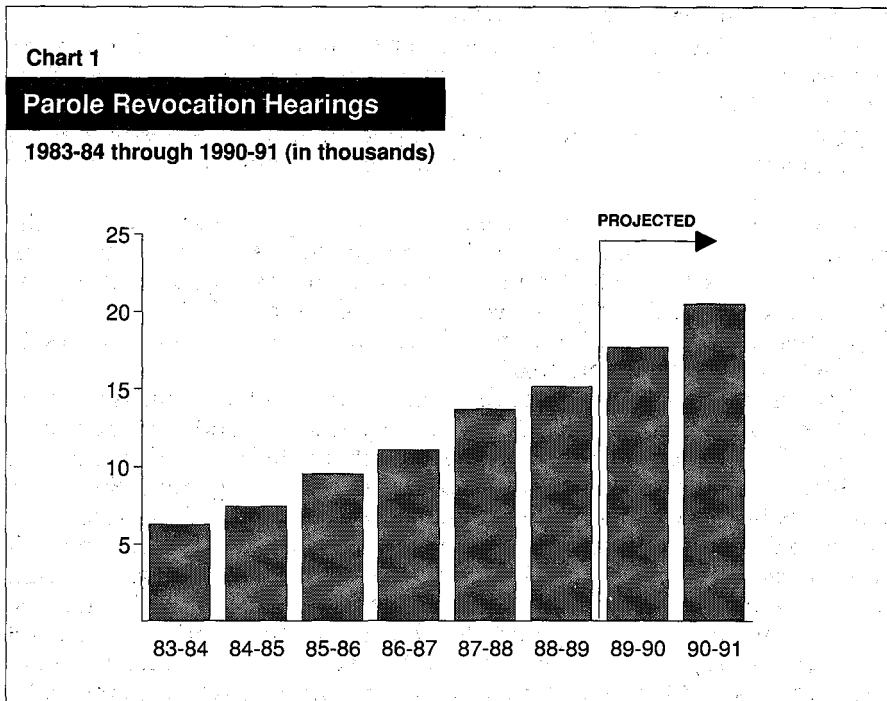
Parole Revocation Hearing Workload Increasing

The budget proposes expenditures of \$930,000 for 8.2 deputy commissioners and 2.5 clerical staff to address the BPT's parole revocation hearing workload. In the current year, the BPT is authorized 59.5 deputy commissioner positions. Thus, the budget request represents a 14 percent increase in deputy commissioner staffing.

Parole revocation hearings are one of the primary responsibilities of the board. When a person paroled from state prison is charged with a parole violation, the Department of Corrections' (CDC) Parole Division may refer the parolee to the BPT for a parole revocation hearing. Under current law, the BPT must conduct a revocation hearing within 30 days of a parolee's incarceration for a parole violation. At the hearing, a panel of two deputy commissioners hears the case and determines whether to revoke the individual's parole status and return the parolee to state prison for a period of up to 12 months.

Hearing Workload Rising. The number of parole revocation hearings is directly related to the growth in the inmate population. As the prison population increases, correspondingly, the parole and parole violator populations also grow. Ultimately, these increases result in a need for more parole revocation hearings. As Chart 1 shows, between 1983-84 and 1988-89, the number of parole revocation hearings rose 144 percent, from 6,212 to 15,141. The BPT projects that in 1990-91, the number of revocation hearings will approach 21,000.

Board Not Meeting Statutory Requirements. With the increasing parole violator population, it has been more and more difficult for the board to conduct hearings within the 30-day statutory time limit. At the time of this analysis, the board indicated that it takes 37 days to conduct a revocation hearing—a week longer than current law permits. Although the BPT recently instituted several administrative changes to streamline the hearing process, it projects that the time savings will soon be absorbed by the growing volume of hearings workload. Consequently, even with the proposed new deputy commissioner positions, the BPT anticipates that the time required to conduct hearings will continue to exceed the statutory requirement of 30 days.



Salary Savings Rate Artificially High

We recommend that, prior to budget hearings, the Board of Prison Terms and the Department of Finance report to the Legislature on (1) the reasons for and the effects of the board's 1990-91 salary savings rate and (2) an estimate of the board's normal salary savings rate.

The term "salary savings" refers to personal service costs for authorized positions that are not incurred. "Normal" salary savings can arise for two reasons. First, the cost of salaries and benefits may be saved because authorized positions are vacant, due to unintended delays in filling positions or in implementing new programs. Second, salary savings may result when positions are filled with personnel who are paid lower salaries than their predecessors. Salary savings can also be forced. This occurs when an agency must hold authorized positions vacant in order to achieve a budgetary target.

Our analysis indicates that the BPT is forced to hold deputy commissioner positions open to achieve its prescribed salary savings level. In other words, although the Legislature has approved specific staffing levels for the BPT, the board fails to fill a portion of these positions in order to meet an artificially high salary savings requirement. For example, to meet the current year's 7 percent salary savings rate, the board has delayed filling six new deputy commissioner positions. *These positions have been vacant since July 1, 1989.* Moreover, our review found that in each of the past three years the board has delayed filling at least

BOARD OF PRISON TERMS—Continued

five deputy commissioner positions in order to meet its required salary savings rate. In 1987-88, the vacant deputy commissioner positions represented 12 percent of total BPT deputy commissioner staffing. In the budget year, the board indicates that a portion of the requested deputy commissioner positions again will go unfilled in order to meet the salary savings rate.

Comments. The imposed salary savings rate adversely affects the efficiency of the parole revocation hearing process. As mentioned earlier, it takes 37 days to conduct a parole revocation hearing, a week longer than permitted under current law. In the short run, filling the vacant deputy commissioner positions would help to reduce the time required to conduct parole revocation hearings.

Conclusions. The purpose of the salary savings adjustment is to avoid overbudgeting, not to artificially reduce expenditures and personnel-year counts. Thus, the salary savings requirement should be based on the best available estimate of an agency's *normal* salary savings rate. Since the board has been forced to keep positions open, it is difficult to determine its normal salary savings rate. However, we believe that the board's normal salary savings rate is lower than its current salary savings requirement. Consequently, we recommend that the BPT and the Department of Finance report to the Legislature, prior to budget hearings, on (1) the reasons for and the effects of the board's salary savings rate and (2) an estimate of the board's normal salary savings rate.

YOUTHFUL OFFENDER PAROLE BOARD

Item 5450 from the General
Fund

Budget p. YAC 45

Requested 1990-91	\$3,445,000
Estimated 1989-90	3,245,000
Actual 1988-89	2,805,000
Requested increase (excluding amount for salary increases) \$200,000 (+6.2 percent)	
Total recommended reduction	None

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 39.5 personnel-years in the current year.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget proposes an appropriation of \$3.4 million from the General Fund for support of the YOPB in 1990-91. This is \$200,000, or 6.2 percent, over estimated expenditures in the current year.

The increase primarily is due to: (1) the addition of one board representative associated with a new proposal in the Department of the Youth Authority to reduce the institutional length-of-stay for specified youthful offenders (see Item 5460) and (2) the full-year costs of salary increases provided in the current year.

DEPARTMENT OF THE YOUTH AUTHORITY

Item 5460 from the General
Fund and various other funds

Budget p. YAC 47

Requested 1990-91	\$431,809,000
Estimated 1989-90	409,608,000
Actual 1988-89	356,093,000
Requested increase (excluding amount for salary increases) \$22,201,000 (+5.4 percent)	
Total recommended reduction	None
Recommendation pending	10,259,000

1990-91 FUNDING BY ITEM AND SOURCE

Item—Description	Fund	Amount
5460-001-001—Support	General	\$296,380,000
5460-001-751—Support	1990 Prison Construction Bond	1,499,000
5460-001-796—Support	County Correctional Facility Capital Expenditure and Youth Facility, Bond Act of 1988	327,000
5460-001-831—Support	California State Lottery Education	1,201,000
5460-001-890—Support	Federal Trust	1,294,000
5460-011-001—Education Programs	General, Proposition 98	27,822,000
Continuous Appropriation—Support	County Correctional Facility Capital Expenditure, Bond Act of 1986	23,000
5460-101-001—Local Assistance	General	73,905,000
Continuous Appropriation—Local Assistance	County Correctional Facility Capital Expenditure, Bond Act of 1986	5,677,000

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Continuous Appropriation—Local Assistance	County Correctional Facility Capital Expenditure and Youth Facility, Bond Act of 1988	5,291,000
Reimbursements	—	18,390,000
Total		\$431,809,000

SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS

- | | <i>Analysts
page</i> |
|--|--------------------------|
| 1. Ward Population Growth. Withhold recommendation on \$10.3 million requested from the General Fund to accommodate ward population changes, pending receipt and analysis of additional population and facilities information. | 823 |
| 2. Bed Savings Alternative Programs. Recommend that the department include in its May revision an analysis of its progress in implementing the alternative programs and of the associated bed savings. | 826 |
| 3. Future-Year Population Projections. The department's population projections through fiscal year 1993-94 may be too high. | 828 |
| 4. Workers' Compensation Costs. Recommend that the Departments of the Youth Authority and Finance report to the Legislature, during budget hearings, on the administration's plan to fund increased workers' compensation costs. | 829 |

GENERAL PROGRAM STATEMENT

The Department of the Youth Authority (CYA) is responsible for the protection of society from the criminal and delinquent behavior of young people. The Welfare and Institutions Code directs the department to operate training and treatment programs which seek to correct and

MAJOR ISSUES

- ☒ The Youth Authority's ward population projections beyond 1990-91 may be too high. Revised projections may reduce the need for additional institution beds.
- ☒ The Youth Authority proposes to close three facilities, eliminating 221 facility beds, and redirect the savings to cover a portion of its workers' compensation costs.

rehabilitate youthful offenders, rather than punish them. This mission is carried out through four programs—Institutions and Camps, Parole Services, Prevention and Community Corrections, and Administration.

The department has 5,025.1 personnel-years in the current year.

OVERVIEW OF THE BUDGET REQUEST

The budget proposes expenditures of \$431.8 million from the General Fund, various special funds, and reimbursements to support the activities of the Youth Authority in 1990-91. This is an increase of \$22.2 million, or 5.4 percent, above estimated current-year expenditures. Table 1 provides a summary of the department's total expenditures and staffing levels, by program, for the past, current, and budget years.

Table 1
Department of the Youth Authority
Program Summary
1988-89 through 1990-91
(dollars in thousands)

<i>Program</i>	<i>Actual 1988-89</i>	<i>Est. 1989-90</i>	<i>Prop. 1990-91</i>	<i>Percent Change From 1989-90</i>
Prevention and Community Corrections.....	\$75,983	\$84,740	\$85,920	1.4%
Institutions and Camps	249,933	285,001	304,549	6.9
Parole Services	29,857	39,609	41,115	3.8
Administration:				
Undistributed	320	258	225	-12.8
Distributed	(13,751)	(16,382)	(16,786)	2.5
Totals	\$356,093	\$409,608	\$431,809	5.4%
Funding Sources				
General Fund	\$332,919	\$376,582	\$398,107	5.7%
County Correctional Facility Capital Expendi- ture Fund, Bond Act of 1986.....	1,977	8,617	5,700	-33.9
County Correctional Facility Capital Expendi- ture and Youth Facility Fund, Bond Act of 1988	—	1,435	5,618	291.5
1986 Prison Construction Bond Fund	181	—	—	—
1988 Prison Construction Bond Fund	—	810	—	-100.0
1990 Prison Construction Bond Fund	—	—	1,499	— ^a
California State Lottery Education Fund.....	603	—	—	—
California State Lottery Education Fund— California Youth Authority.....	—	1,156	1,201	3.9
Federal Trust	1,239	1,294	1,294	—
Reimbursements.....	19,174	19,714	18,390	-6.7
Personnel-Years				
Prevention and Community Corrections.....	48.0	55.2	53.1	-3.8%
Institutions and Camps	4,248.2	4,359.6	4,441.9	1.9
Parole Services	274.1	348.0	366.5	5.3
Administration	259.9	262.3	264.2	0.7
Totals.....	4,830.2	5,025.1	5,125.7	2.0%

^a Not a meaningful figure.

The department's proposed budget changes are summarized in Table 2, by funding source. The changes include a net increase of \$20.6 million

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

in state operations (all funds and reimbursements) and an increase of \$1.6 million in local assistance. The increase in state operations primarily is due to increases in employee compensation and workers' compensation costs and the activation of a new 600-bed institution. The local assistance increase is due to increased expenditures for county juvenile facilities from the County Correctional Facility Bond Funds of 1986 and 1988.

Table 2
Department of the Youth Authority
Proposed 1990-91 Budget Changes
(dollars in thousands)

	<i>General Fund</i>		<i>Bond Funds^a</i>		<i>Lottery</i>	<i>Federal Trust Fund and Reimbursements</i>	<i>Total</i>
	<i>State</i>	<i>Local</i>	<i>State</i>	<i>Local</i>	<i>Educa- tion Fund</i>		
	<i>Opera- tions</i>	<i>Assis- tance</i>	<i>Opera- tions</i>	<i>Assis- tance</i>			
1989-90 Expenditures (revised)	\$302,677	\$73,905	\$1,537	\$9,325	\$1,156	\$21,008	\$409,608
Proposed Changes:							
<i>Workload Adjustments</i>							
Ward and parolee population ..	9,059	—	1,200	—	—	—	10,259
Reimbursement adjustment ...	—	—	—	—	—	-1,106	-1,106
Adjustment of one-time costs..	1,749	—	—	—	—	—	1,749
Subtotal, Workload Adjustments.....	(\$10,808)	(—)	(\$1,200)	(—)	(—)	(-\$1,106)	(\$10,902)
<i>Cost Adjustments</i>							
Employee compensation.....	\$8,418	—	\$9	—	—	—	\$8,427
Full-year cost adjustment.....	4,432	—	—	—	—	—	4,432
Reduction of one-time costs...	-655	—	—	—	—	—	-655
Reduction of limited-term positions.....	-1,199	—	—	—	—	—	-1,199
Transfer to Department of Forestry and Fire Protection.....	-675	—	—	—	—	—	-675
Bond allocations to local governments.....	—	—	-\$500	\$1,643	—	—	1,143
Other.....	396	—	—	—	45	—	441
Subtotal, Cost Adjustments..	(\$10,717)	(—)	(-\$491)	(\$1,643)	(\$45)	(—)	(\$11,914)
<i>Program Changes</i>							
Workers' compensation.....	\$3,000	—	—	—	—	-\$252	\$2,748
Prison canteen manager.....	—	—	—	—	—	34	34
Proposition 86 staffing.....	—	—	\$118	—	—	—	118
New facility and construction staff	—	—	73	—	—	—	73
Reduction of one-time cost....	-3,000	—	-588	—	—	—	-3,588
Subtotal, Program Changes ..	(—)	(—)	(-\$397)	(—)	(—)	(-\$218)	(-\$615)
1990-91 Expenditures (proposed).....	\$324,202	\$73,905	\$1,849	10,968	\$1,201	\$19,684	\$431,809
Change from 1989-90:							
Amount.....	\$21,525	—	\$312	\$1,643	\$45	-\$1,324	\$22,201
Percent.....	7.1%	—	20.3%	17.6%	3.9%	-6.3%	5.4%

^a Bond Funds include: County Correctional Facility Capital Expenditure Fund, Bond Act of 1986; County Correctional Facility Capital Expenditure and Youth Facility Fund, Bond Act of 1988; and 1990 Prison Construction Bond Fund.

The budget proposes an increase of \$21.5 million, or 7.1 percent, from the General Fund for the department's state operations budget for 1990-91. Specifically, this includes a net increase of \$10.8 million for population-related changes and \$10.7 million for cost adjustments including employee compensation. Several of these proposals are discussed later in this analysis.

New Bond Funds. The budget includes \$1.5 million from the 1990 Prison Construction Bond Fund for activation costs of the new N.A. Chaderjian School in Stockton and for maintenance and repair costs at other institutions. Currently, the Legislature is considering several measures that, if approved by the Legislature and the voters, will establish this fund.

Proposition 98. Chapter 82 (SB 98, Hart) and Chapter 83 (AB 198, O'Connell), Statutes of 1989, specify which state agencies are eligible to receive support for educational programs from Proposition 98. Because of these measures, the education programs of the Youth Authority are eligible to receive Proposition 98 funding. The department's proposed General Fund budget includes \$27.8 million in such support for 1990-91.

ANALYSIS AND RECOMMENDATIONS

STATE OPERATIONS

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

- A General Fund increase of \$244,000 to permanently establish 4.4 positions for the Psychological Services Program which provides psychological assessments ordered by the Youthful Offender Parole Board (YOPB).
- Redirection of \$303,000 from contract services to provide seven language, speech, and hearing specialists in the education program.
- Increased reimbursements of \$34,000 from canteen proceeds to establish a canteen manager position.
- An increase of \$118,000 from the County Correctional Facility Capital Expenditure Fund, Bond Act of 1988, for 2.5 additional administrative positions.

Population Estimates Uncertain

We withhold recommendation on \$10,259,000 requested from the General Fund to accommodate the projected ward and parole population changes, 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.

The budget proposes a net increase of \$10.3 million from the General Fund to accommodate ward and parolee population changes in the budget year. The amount includes a net increase of \$6.2 million for ward population. An increase of \$4.1 million in parole and administrative costs is also included in the department's proposal. Although the department estimates that the ward population will decrease by about 2 percent in

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

the budget year, the bulk of the proposed increase in funds will go towards the activation of the new N. A. Chaderjian School, which will reduce overcrowding levels in existing institutions. The Youth Authority's 1990-91 ward population management plan is summarized in Table 3.

Table 3
Department of the Youth Authority
1990-91 Ward Housing Plan

		1990-91 Population Management Plan			Overcrowding Status	
		1989-90 End-of- Year Popula- tion	Budget Adjust- ment	1990-91 End-of- Year Popula- tion	1990-91 Bed Capac- ity ^a	Percent of Capacity
Department Facilities	County					
Northern Reception						
Center Clinic.....	Sacramento	494	-6	488	326	149.7%
Southern Reception						
Center Clinic.....	Los Angeles	576	-6	570	350	162.9
Fred C. Nelles School.....	Los Angeles	854	-72	782	650	120.3
O.H. Close School.....	San Joaquin	461	-50	411	379	108.4
Karl Holton	San Joaquin	460	-14	446	388	114.9
N. A. Chaderjian	San Joaquin	—	600	600	600	100.0
El Paso de Robles School.....	San Luis Obispo	830	-64	766	652	117.5
Ventura School.....	Ventura	905	-63	842	676	124.6
Dewitt Nelson Training						
Center	San Joaquin	540	-28	512	400	128.0
Preston School of Industry	Amador	865	-59	806	720	111.9
Youth Training School.....	San Bernardino	1,590	-141	1,449	1,200	120.8
Silverlake Pre-Parole						
Center	Los Angeles	30	-30	—	—	—
Conservation Camps.....	various	682	-131	551	440	125.2
Other Facilities						
El Centro Training Center	Imperial	60	-60	—	—	—
Federal facilities	various	25	—	25	25	100.0
Northern County leased	Butte, Del Norte,					
beds.....	Siskiyou	25	—	25	25	100.0
Totals		8,397	-124	8,273	6,831	121.1%

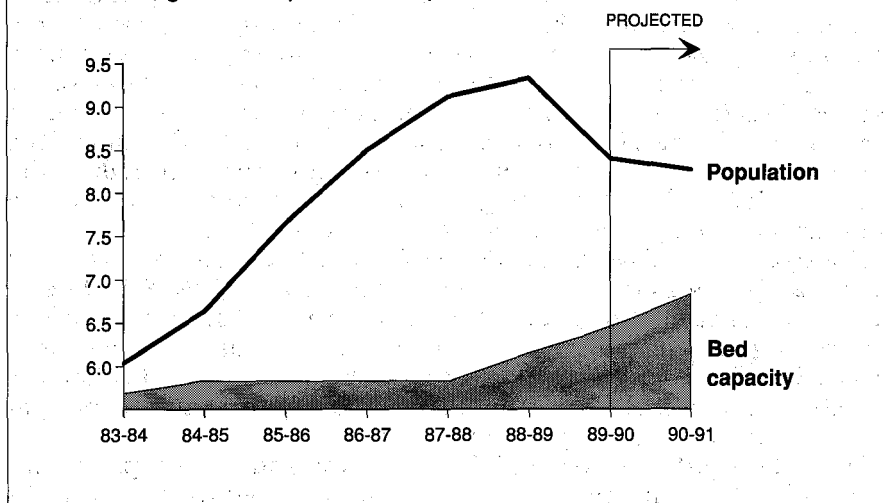
^a Includes the elimination of 221 beds in three facilities, with the associated population to be absorbed into other facilities.

Ward Housing Plan for the Budget Year. Table 3 shows that the department anticipates that the ward population will decrease by 124 wards in 1990-91, thus continuing a decrease that started in the current year. In addition, the total capacity of facilities that house CYA wards will increase by 600 to 6,831 beds due to the activation of the N. A. Chaderjian School in the budget year. Chart 1 shows that the combined effect of the population decrease and new construction will reduce the overcrowding in the facilities to 121 percent of bed capacity in 1990-91 (8,273 wards), as compared to 130 percent of capacity in the current year (8,397 wards).

Chart 1

Department of the Youth Authority Population and Bed Capacity

1983-84 through 1990-91 (in thousands)



Population Estimate Concerns. Our analysis indicates that the department's ward population request is based on a number of assumptions, including the actions of the Youthful Offender Parole Board (YOPB), the success of alternative programs, and the department's schedule for housing wards in various facilities. We have several concerns with these assumptions. Our analysis indicates that the population estimates in the May revision will likely differ from the Governor's Budget.

Population Projections Based on Future YOPB Actions Which May or May Not Occur. In past years, the YOPB followed a practice of setting parole consideration dates for wards that were, on average, in excess of its own guidelines by about three months per ward. This practice resulted in increased length of stay in facilities and increased ward population. In 1988, in response to legislative action, the YOPB changed its policy regarding parole consideration dates to more closely reflect its own established guidelines. This change has led to a decrease in the institutional population in the current year because a ward's length-of-stay is shorter, on average, than in past years. The budget assumes that this decrease will continue in 1990-91. To the extent that the YOPB continues to set parole consideration dates that are consistent with its guidelines, the ward population would decrease. However, to the extent that these guidelines are not followed, the ward population could increase above the levels projected by the budget.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Bed Savings from Alternative Programs Are Unclear. Over the past three years, 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 (1) returning parole violators to the institutions or (2) 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 institutional programs for parole violators and substance abusers, have been delayed or are in the early stages of implementation. Because of the varying success in implementing these programs, the actual bed savings associated with the alternative programs is unclear at this time. The department, however, is assuming that these programs will reduce the need for 347 beds in the budget year. (We discuss several of the department's alternative programs later in this analysis).

The Department Has Not Submitted Its Population Management and Facilities Master Plan. In the *Supplemental Report of the 1986 Budget Act*, the Legislature directed the CYA to prepare and submit annually a long-range population management report which evaluates various alternatives for alleviating the overcrowding in Youth Authority institutions. At the time this analysis was prepared, the department had not yet submitted its 1990 master plan to the Legislature.

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

Summary. Pending receipt and review of the revised budget proposal, population projections and construction schedules contained in the May revision, and the department's master plan, we withhold recommendation on \$10.3 million requested from the General Fund to support ward and parole population changes and the activation of the N. A. Chaderjian School.

Bed Savings from Alternative Programs Are Unclear

We recommend that the department include in its May revision an analysis of the progress of the implementation of its alternative programs, including information on participation rates and associated bed savings.

The budget proposes a total of \$1.3 million for three alternative programs which are intended to reduce the number of beds the department needs in its institutions.

The three programs are:

- ***Parole Community Custody program***, which is proposed for permanent establishment, provides alternative treatment for parolees who are at risk of returning to a Youth Authority institution.
- ***Los Angeles Drug Treatment program***, which the department is currently activating, is modeled after the Parole Community Custody program and offers similar services.

- ***Non-Violent Offenders program*** is a new program which would provide services to selected non-violent offenders in order to reduce the amount of disciplinary time added by the YOPB to the wards' length-of-stay ("time-adds"). The program is assumed to have no net cost because the costs of the additional services would be offset by decreases in institutional population.

The department estimates that these three programs will reduce the need for 347 beds in the budget year. We have the following concerns with the department's projections.

Parole Community Custody Program. The department requests \$960,000 to permanently establish this program at a capacity of 40 beds. This is a 90-day residential program which emphasizes drug counseling and work experience for parolees who are at risk of returning to the CYA. The program currently operates under a contract with a county juvenile camp at Fouts Springs.

The department indicates that since its beginning in December 1988, 47 wards have completed the program. Based on this experience, the department projects that this program will result in a permanent savings of 114 beds. We believe that to date the number of wards served (47) is too small to use as an indicator of the future success of the program. In addition, too little time has elapsed to allow the department to determine whether parolees who have recently completed the program will not return to the CYA institutions.

At the time of the May revision, the department will have five additional months of experience in following parolees during and after the program. As part of the May revision, the department should provide the Legislature with an update on the number of parolees currently enrolled in the program, the average daily population of the program, the cumulative number of parolees that have participated in the program since it began, and an updated estimate of the number of institutional beds that will not be needed as a result of the program.

Los Angeles Drug Treatment Program. The department proposes full-year funding of \$790,000 for this program in 1990-91. This program, which is modeled after the Parole Community Custody program, was scheduled to begin operation in October 1989. However, its activation was postponed until January 1990 due to difficulty in locating an appropriate facility to house the program and the time involved for a contractor to make certain modifications to the facility. At the time this analysis was prepared, the department had not enrolled any wards in the program. The department maintains, however, that it will be able to save 26 beds in the current year and 142 beds in the budget year. The department also projects the program will result in a permanent savings of 156 beds annually thereafter. We are concerned that bed savings projections of this magnitude are premature given that the department has no experience with the Los Angeles program and no way of assessing its success rate.

Non-Violent Offenders Program. This program consists of an "agreement" between the department and the YOPB to eliminate disciplinary

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

time-adds for selected non-violent offenders over a three-year period. The department assumes that this program will eliminate the need for 150 institutional beds in 1990-91 and 630 beds by 1993-94. The department proposes to create a 50-bed program that provides services such as drug counseling and parole readiness in the belief that these services will reduce ward behavior that results in disciplinary time-adds. In addition, the program involves earlier reviews of the wards' progress by the YOPB than currently scheduled. In order to support this additional workload, the budget proposes an augmentation to the YOPB of \$118,000 for the addition of one hearing officer (please see Item 5450).

We question the department's assumption for two reasons. First, our review indicates that in recent years the CYA and YOPB have relied on the use of time-adds as a disciplinary tool for wards, including non-violent offenders. In fact, the trend on the use of time-adds runs counter to their proposed elimination, with average net time-adds increasing over the past five years. Currently, the average net time-add per ward per year is 3.8 months. At this time, we have no reason to believe that the board will simply reverse the trend.

In addition, the department has no experience with the Non-Violent Offenders program. Thus, we believe that the department's assumption about the program's level of success is open to question.

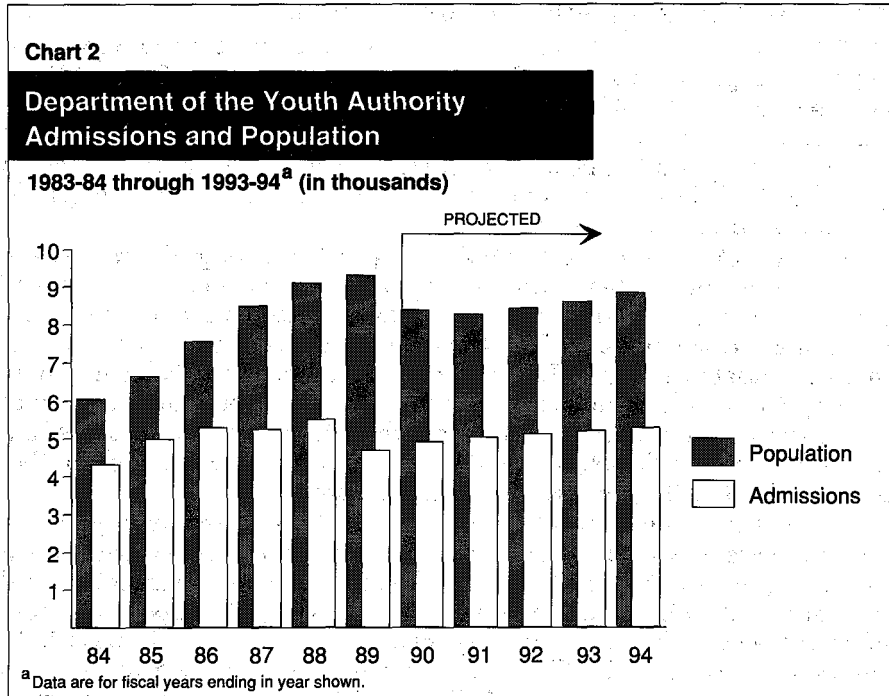
We believe that as part of its May revision, the department should provide information to the Legislature regarding the details of the agreement between the board and the department, criteria for choosing the wards to participate in the program, and an assessment of the likelihood that the program will be operating throughout the budget year.

Analyst's Recommendation. Given the uncertainties regarding these programs, we believe that the department should provide the Legislature with additional information at the time of the May revision. Specifically, we recommend that the department include an analysis of its progress in implementing the alternative programs. This analysis should include specific information on participation rates in the programs and the associated bed savings.

Future-Year Population Projections May be Too High

Based on our review of the department's assumptions regarding institutional population, we find that the estimates of the ward population for 1991-92 and beyond may be too high. Revised projections could reduce the need for additional beds in future years.

The department estimates that the institutional population will increase to 8,848 wards by 1993-94, as shown in Chart 2. This estimate is based on three basic assumptions: (1) admissions into the CYA will remain stable, (2) the bed-savings programs will result in some reduction in the ward population, and (3) YOPB decisions regarding parole consideration dates will result in longer lengths of stay for wards, thus increasing the population in future years.



While we believe that the department's first two assumptions may be warranted, we are concerned with the department's third assumption regarding the YOPB's future actions.

The department assumes that the YOPB will not continue its current policy of setting parole consideration dates in accordance with its own guidelines. Thus, the department believes that the decrease in population during the current and budget years resulting from the current policy is a one-time occurrence. To the extent that the YOPB continues to follow its guidelines for parole consideration dates in 1991-92 and beyond, it is unlikely that population growth in future years will be as high as projected by the department. The department's projections for future years are important because these projections are used for long-range planning for overcrowding and for construction of additional institutional beds.

Workers' Compensation Costs Funded Through Increased Institutional Overcrowding

We recommend that the Departments of the Youth Authority and Finance report to the Legislature during budget hearings on the administration's plan to fund continuing increases in workers' compensation costs.

The department estimates that the total cost of its workers' compensation program will be \$15.1 million in the budget year. This is an increase

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

of \$8.6 million over the amounts budgeted for the current year. The department proposes to fund this increase as follows: (1) a General Fund augmentation of \$3 million, (2) unallocated reductions of \$1.6 million in various programs, and (3) a redirection of \$4 million from the closure of three facilities with 221 beds. The facilities include: a conservation camp (131 beds), a facility for female offenders (60 beds), and a parole pre-release program (30 beds).

Workers' Compensation Costs Have Been Increasing. Currently, the CYA reimburses the State Compensation Insurance Fund for workers' compensation costs which include medical costs and temporary and permanent disability benefits. However, the CYA pays the costs of industrial disability leave (IDL) and non-industrial disability leave (NDI) directly from its payroll. According to the department, the number of claims *has not increased* at a faster rate than its recent growth in staffing levels. Rather, the department indicates that it is the *costs* per claim that have resulted in its increased costs for this program.

The cost of claims is determined by workers' compensation rates, medical care costs, and salary costs, all three of which have been increasing in recent years. Effective January 1, 1984 both temporary and permanent disability rates were increased. The full impact of these increases was realized by the department in 1985-86 and 1986-87. In addition, the costs of the IDL and NDI programs increased by about 25 percent annually between 1984-85 and 1986-87 and 30 percent from 1987-88 to 1988-89. These increases primarily are tied to increases in staff salaries and the implementation of the Enhanced Industrial Disability Leave (EIDL) program.

Costs Previously Funded through Education Program Redirections. In past years, the department covered increases in workers' compensation costs by holding open authorized teacher positions and using the funds budgeted for these positions to fund workers' compensation costs. For example, in 1988-89, the department redirected \$3.5 million from education programs to pay workers' compensation costs. We question the appropriateness of funding costs in this manner. We note, however, that this funding strategy is no longer an option because CYA education expenditures are now considered a part of the Proposition 98 funding. Thus, any savings generated from the education program would have to be used to fund education services elsewhere in the budget.

Proposed Solution is Short-Sighted. In order to fund \$4 million of the \$8.6 million increase in workers' compensation costs in 1990-91, the department is proposing to close three facilities with 221 beds and to absorb this population by increasing the level of overcrowding at other facilities.

Our analysis indicates that the state has little choice but to pay the workers' compensation costs. However, we have the following concerns with the department's proposal.

First, the department is proposing to *increase* the level of overcrowding in order to pay for workers' compensation costs at the same time it is

activating a new facility in order to *reduce* the level of overcrowding.

Second, the choice of facilities to be closed seems questionable. For example, the conservation camp that is proposed to be closed has a *lower* per capita cost than the institutions that will absorb the displaced wards. In addition, the parole pre-release facility proposed for closure is designed to *reduce* the population in the institutions by preparing wards for parole, thereby reducing recidivism among parolees.

Third, the proposal does nothing to address the department's continuing costs for this program in the future years. Recently, the Director of the Youth Authority established a committee within the department to develop, by April 15, 1990, a strategy to deal with this issue.

Because the department may develop recommendations that will be useful in containing some portion of these costs, and because of our concerns regarding the department's proposal, we recommend that the department and the Department of Finance report to the Legislature, during budget hearings, on the administration's plan to address the continuing increases in the costs of the workers' compensation program.

LOCAL ASSISTANCE

The budget proposes a total of \$84.9 million from the General Fund and the County Correctional Bond Funds of 1986 and 1988 for the Youth Authority's local assistance programs in 1990-91. This is an increase of \$1.5 million, or 2 percent, above 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
1988-89 through 1990-91
(dollars in thousands)

Program	Actual 1988-89	Est. 1989-90	Prop. 1990-91	Percent Change From 1989-90
<i>General Fund</i>				
County Justice System Subvention	\$67,298	\$67,298	\$67,298	—
Delinquency prevention	2,306	2,307	2,307	—
Transportation of wards	65	95	95	—
Detention of parolees	2,207	3,705	3,705	—
Regional Youth Education Centers	500	500	500	—
Subtotal, General Fund	(\$72,376)	(\$73,905)	(\$73,905)	(—)
<i>County Correctional Facility Capital Expenditure Fund, Bond Act of 1986</i>				
Construction/reconstruction of local juvenile facilities	\$1,963	\$8,594	\$5,677	-33.9%
<i>County Correctional Facility Capital Expenditure and Youth Facility Fund, Bond Act of 1988</i>				
Construction/reconstruction of local juvenile facilities	—	\$731	\$5,291	623.8%
Totals	\$74,339	\$83,230	\$84,873	2.0%

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

As shown in the table, the increase in local assistance is due to a net increase of \$1.6 million dollars from the County Correctional Bond Funds of 1986 and 1988. 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) and Ch 1327/89 (SB 236, Presley).

Capital Outlay

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

DEPARTMENT OF THE YOUTH AUTHORITY—REVERSION

Item 5460-495 from the General
Fund

Budget p. YAC 47

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

This item proposes to revert to the General Fund the unencumbered balance (\$13,000) of the funds appropriated to the Department of the Youth Authority in Ch 922/85 (AB 1199, Elder). This bill originally appropriated a total of \$750,000 to the Youth Authority and the Department of Corrections for the purpose of providing protective vests for peace officers. The Youth Authority received \$99,000 of the original appropriation and spent \$86,000 in 1986-87 for protective vests. The remaining \$13,000 has been carried forward each year since 1986-87.

Our analysis indicates that this reversion is appropriate. Thus, we recommend approval.

ROBERT PRESLEY INSTITUTE OF CORRECTIONS RESEARCH AND TRAINING

Item 5770 from the General
Fund

Budget p. YAC 69

Requested 1990-91	\$424,000
Estimated 1989-90	503,000
Actual 1988-89	373,000
Requested decrease (excluding amount for salary increases) \$79,000 (— 15.7 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 the Youth Authority, the Chairperson of the Board of the National Institute of Corrections, and the Chancellor of the University of California, Riverside, where the institute is located—serve as ex-officio members.

The institute'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 is complete. During the budget year, the institute intends to submit a plan for training correctional officers. This will include establishment of a management certificate in state corrections and an associate of arts degree in correctional science.

Progress toward a research library began in the current year with completion of initial bibliographies.

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

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Governor's Budget requests \$424,000 from the General Fund to support the activities of the Presley Institute in 1990-91. This is a decrease of \$79,000, or 15 percent, below estimated current-year expenditures. The requested decrease is due primarily to expenditure of funds in the current year for one-time external consulting and professional services. The amount is partially offset by an increase in personnel costs due to the addition of an executive secretary for the institute's Director and an increase for interdepartmental consulting and professional services for staff support provided by the departments of the Youth and Adult Correctional Agency.

This is the fourth 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.
