

**YOUTH
AND
ADULT
CORRECTIONAL**

Overview of Youth and Adult Correctional

Youth and adult correctional expenditures are proposed to increase in the budget year, primarily due to projected increases in the prison inmate population.

Expenditures for youth and adult correctional programs are proposed to total \$3.3 billion, which is approximately 5.9 percent of all state funds and about 7.5 percent of General Fund expenditures proposed in the Governor's Budget for 1992-93. This level of expenditures is an increase of \$220 million, or 7.2 percent, above the level of expenditures estimated for the current year.

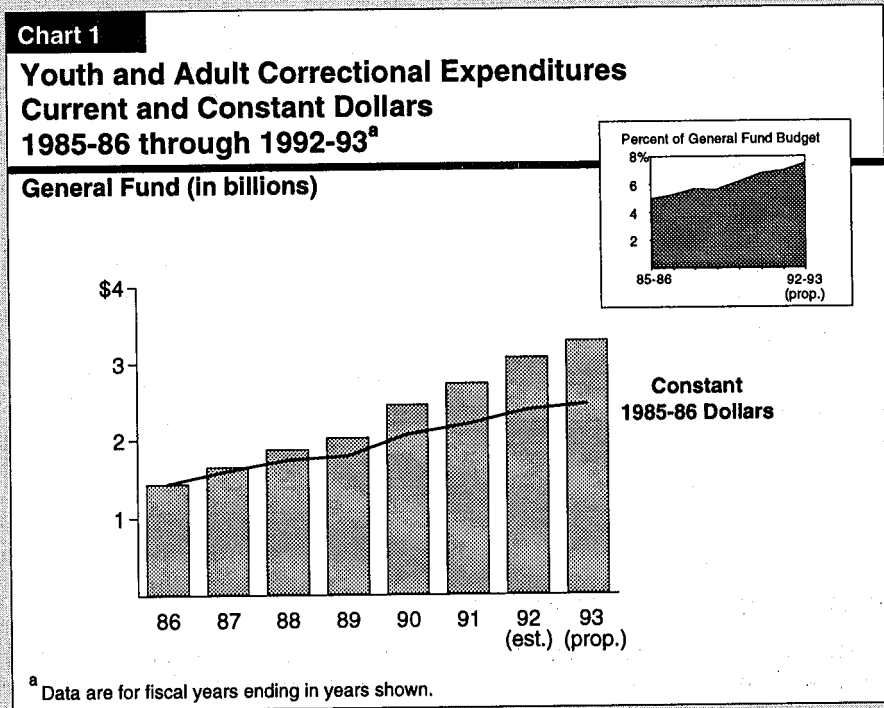


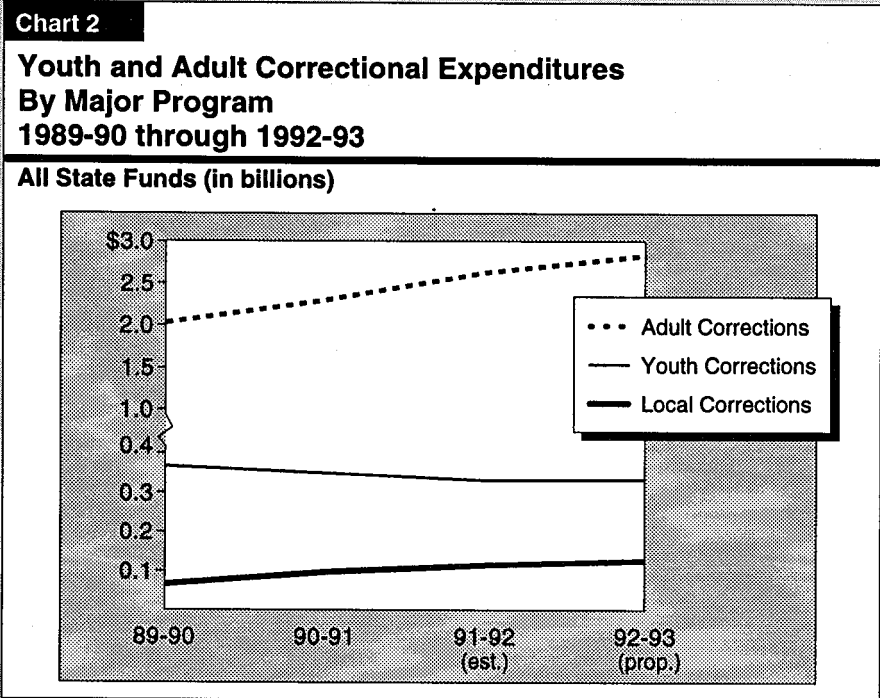
Chart 1 shows that youth and adult correctional expenditures have more than doubled since 1985-86 and have become an increasing share of the General Fund budget. The chart also shows that when adjusted for inflation,

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General Fund expenditures for these programs increased by about 71 percent since 1985-86, which represents an average annual increase of 8 percent.

Spending by Major Programs

Chart 2 shows expenditures for the three major programs from 1989-90 through 1992-93. As the chart shows, (1) adult corrections has grown steadily over the period, (2) youth corrections has declined slightly, and (3) local corrections has increased slightly.



Factors Driving Program Costs

This section examines the specific factors responsible for increases in youth and adult correctional program costs in recent years. These factors are also likely to drive expenditures for the next several years.

The rising costs are directly related to the continuing increase in the state's prison population. The inmate population climbed from 32,127 inmates in 1981-82 to 101,995 in 1990-91, an increase of 217 percent. The Department of Corrections (CDC) projects that the population will increase at a significantly slower rate in the future. Specifically, the department

projects that the population will increase to 139,991 by 1996-97, a rise of 37 percent since 1990-91.

These population increases have been due primarily to the following factors:

State Policy Changes. The Legislature has enacted numerous laws to increase the length of prison sentences since 1977, when it changed the state's sentencing structure from indeterminate sentencing (in which the offender's release from prison was largely discretionary) to determinate sentencing (in which the offender's length of sentence is set in statute). In addition, numerous laws have been enacted requiring mandatory prison sentences (as opposed to less costly probation or jail) for specified crimes.

Parole Violation Rates. Another factor driving costs has been the increase in the number of parolees returned to prison for violation of the terms of their parole (until recently, more than half of all parolees were returned to prison). The increase in parole violation rates is due, in part, to discretionary administrative policies by the CDC and the Board of Prison Terms (BPT). For example, historically the CDC and the BPT have revoked parole for parolees for minor offenses that would not ordinarily be subject to local prosecution (such as disturbing the peace or minor drug usage). Recent changes by the CDC and the BPT have reduced the parole violation rates and, thus, the prison population significantly.

Local Jail Overcrowding. Overcrowding of county jails has had an indirect effect on the state's criminal justice budgets. This is because many county jails now have court-ordered population caps, and persons who would have otherwise served their terms of incarceration in county jails are now serving terms in state prison. In addition, jail overcrowding has been a significant factor in the additional costs for state support of local corrections, particularly assistance to counties for construction of local jails.

Higher Cost of New Facilities. Expenditure increases have also been driven by increasing costs for operation of new prisons. The state has constructed a number of prisons in recent years in an attempt to accommodate the increased inmate population. These new facilities are generally more costly to operate than the older prisons, as they require higher staffing levels.

Major Budget Changes

Table 1 shows the major changes proposed for youth and adult correctional programs in the 1992-93 Governor's Budget. These programs are financed almost completely from the General Fund. As the chart shows, most of the proposals will support increased inmate, ward, and parole populations in the CDC and the Department of the Youth Authority. In addition, the budget proposes a number of program changes that would be supported without additional funds, but rather by redirecting existing funds.

Table 1

**Youth and Adult Correctional Programs
Proposed Major Changes for 1992-93**

Adult Corrections	Requested:	\$2.8 billion	
	Increase:	\$206 million	(+7.8%)
<ul style="list-style-type: none"> + \$82 million for inmate and parole population increases + \$40 million for restoration of unallocated reductions + \$29 million for debt service on prison construction bonds + \$10 million for inflation adjustments 			
Youth Corrections	Requested:	\$334 million	
	Increase:	\$3.5 million	(+1.0%)
<ul style="list-style-type: none"> + \$4.2 million for ward and parole population increases 			
Local Corrections	Requested:	\$127 million	
	Increase:	\$11 million	(+9.5%)
<ul style="list-style-type: none"> + \$10 million for debt service on county jail construction bonds 			

LAO Assessment of Major Budget Issues

In this section, we identify some of the major issues contained in the Governor's Budget. A fuller discussion of these issues is contained in our analysis of the affected department or program, which follows this overview.

- **Prison Inmate Population Growth Slows.** The CDC projects that the growth will slow dramatically over the next six years. In fact, the population is currently only slightly above the level it reached at the end of 1990-91. In the long-run, however, there are several factors that could result in more rapid growth. Even if the projections are accurate and prison growth slows, prison overcrowding will worsen unless the Legislature takes additional steps to control the growth, or authorizes additional prison construction or alternative inmate housing programs. (See Item 5240, Department of Corrections.)
- **Alternative Sentencing Programs.** The budgets for both the CDC and the Youth Authority propose to establish small boot-camp style "shock incarceration" programs for first-time offenders. The purpose of the programs is to reduce the rate of recidivism among these offenders.

Our review indicates that these programs could result in long-term General Fund savings. However, there are several uncertainties regarding implementation of the programs, particularly the CDC program. (See Item 5240, Department of Corrections, and Item 5460, Department of the Youth Authority.)

- ***Preventing Parole Failure Program.*** The budget proposes a new program in the CDC to provide shelter, substance abuse, educational, and job development services to parolees. The purpose of the program is to prevent their return to prison. Although we believe the proposal has merit and should have a positive effect on parolees, the Legislature should closely monitor the implementation. (See Item 5240, Department of Corrections.)
- ***Inmate Medical Care Planning.*** Although the CDC has made some improvements in administration of its medical programs, the programs are too often characterized by a lack of adequate long-term planning and "crisis management," often brought about by litigation. For these reasons, the CDC needs to develop a comprehensive master plan for providing medical care to inmates. (See Item 5240, Department of Corrections.)

Department of Corrections Item 5240

Expenditures

Requested 1992-93	\$2,686,513,000
Estimated 1991-92	2,491,673,000
Actual 1990-91	2,209,361,000
Requested increase \$194,840,000 (+7.8 percent)	

Fiscal Recommendations

Total recommended reduction	\$373,000
Recommendation pending	87,597,000

MAJOR ISSUES

- ▶ **Inmate Population Growth.** The department projects that the population will slow dramatically over the next six years. In the long run, however, there are several factors that could result in more rapid growth. Even if the projections are accurate, prison overcrowding will worsen unless the Legislature takes additional steps to control growth, or authorizes additional prison construction or alternative inmate housing programs.
- ▶ **Current-Year Savings.** The inmate population is currently only slightly above the level it reached at the end of 1990-91. If the population remains relatively flat for the remainder of the year, the state will experience significant General Fund savings.
- ▶ **Alternative Sentencing Program.** The budget proposes a new 176-bed boot camp-style program for first-time offenders. The purpose of the program is to reduce the rate of recidivism among these offenders.

Continued

DEPARTMENT OF CORRECTIONS—Continued

- ▶ **Inmate Medical Care Planning.** The department's medical programs are too often characterized by a lack of adequate long-term planning and "crisis management." The department needs to develop a comprehensive master plan for medical care.
- ▶ **Preventing Parolee Failure Program.** The budget proposes a new program to provide shelter, substance abuse, educational, and job development services to parolees. The purpose of the program is to prevent their return to prison.
- ▶ **Substance Abuse Programs.** Implementation is behind schedule for two new substance abuse treatment programs for parolees that were funded in the current year.

Findings and Recommendations

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Institutions

1. **Inmate Population Growth Slows Dramatically.** The CDC projects that the growth will slow over the next six years. In the long run, several factors could result in more rapid growth than the department projects. Even if the growth is no faster than the projections, prison overcrowding will continue to increase unless the Legislature takes additional actions. 21
2. **Current-Year Inmate Population Growth.** The current population is only slightly above levels reached at the end of 1990-91. If the population remains relatively flat, the state would experience significant General Fund savings. 27
3. **Budget-Year Inmate Population Growth.** Withhold recommendation on \$77 million, pending analysis of May revision. 28
4. **Alternative Sentencing Program.** Withhold recommendation on \$831,000, pending report at budget hearings on status of authorizing legislation, selection criteria, and location of parole component. 29

5. **Medical Care Master Plan.** Recommend adoption of supplemental report language directing department to complete comprehensive plan in 1992-93. 31
6. **Lawsuit on Mental Health Program.** Recommend department report prior to budget hearings on impact of settlement on provision of services. 33
7. **Expansion of Psychiatric Care Program.** Withhold recommendation on \$3.3 million and 64.5 positions, pending receipt and review of Mental Health Services Delivery System Study. 34
8. **HIV Center.** Withhold recommendation on \$1.5 million, pending receipt of specified information. 36
9. **Infectious Disease Control Unit.** Withhold recommendation on permanent redirection of \$1.5 million, pending report during budget hearings on funding options. 40

Community Corrections

10. **Parole Population Growth.** Withhold recommendation on \$4.9 million, pending analysis of May revision. 41
11. **Preventing Parolee Failure Program.** Recommend adoption of supplemental report language requiring department to report on implementation. 42
12. **Substance Abuse Treatment Programs.** Recommend the Departments of Corrections and Alcohol and Drug Programs report during budget hearings on status of implementation. 44

Administration

13. **Inappropriate Use of Bond Funds.** Reduce Item 5240-001-747 by \$373,000. Recommend deletion of radio communication and health care planning staff. 46

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.

Institutions. Currently, the department operates 22 institutions including a medical facility and a treatment center for narcotic addicts under civil commitment. The department also operates 41 fire and conservation camps. Major programs conducted in the institutions include approximately 103 prison industry programs and 17 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

DEPARTMENT OF CORRECTIONS—Continued

ranging from literacy to college courses, and group and individual counseling.

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

Overview of the Budget Request

The proposed budget essentially provides full funding for the CDC's workload, as well as initiates several new programs by redirecting resources.

The budget proposes the expenditure of \$2.7 billion from various funds for the support of the CDC in 1992-93, as shown in Table 1. The department's total budget represents an increase of \$195 million, or 7.8 percent, above estimated current-year expenditures. The budget proposes \$2.6 billion from the General Fund (an increase of 7.4 percent), \$69.8 million from other funds, and \$40.4 million from reimbursements.

Current-Year Deficiency Request. Expenditures shown in Table 1 for the current year include a net deficiency request of \$75.7 million from the General Fund. This amount includes an increase of \$69.7 million, primarily to restore unallocated reductions, and \$6 million for local assistance funds to reimburse local governments for the actual and projected costs of housing parole violators in local jails.

Program Changes. The budget includes \$81.9 million to provide additional staffing and related expenses and equipment for the projected inmate and parole population increases in 1992-93, as shown in Table 2. The budget also includes a net increase of \$79.9 million for baseline adjustments, such as restoration of unallocated reductions and price increases. The remaining budget requests are attributable to various significant program investments to (1) improve the efficiency of managing the inmate and parolee populations and (2) reduce the number of parolees that will be reincarcerated. The budget requests the redirection of more than \$20 million of existing resources and anticipated program savings to support additional workload as well as new or expanded programs (see below).

Table 1

**Department of Corrections
Budget Summary
1990-91 through 1992-93**

(dollars in millions)

	Actual 1990-91	Estimated 1991-92	Proposed 1992-93	Percent Change From 1991-92
Expenditures				
Institutions	\$2,013.6	\$2,252.2	\$2,336.3	3.7%
Community Corrections	195.7	239.5	350.3	46.3
Administration (distributed)	(138.8)	(155.7)	(162.6)	(4.4)
Totals^a	\$2,209.3	\$2,491.7	\$2,686.5	7.8%
<i>General Fund</i>	<i>\$2,130.5</i>	<i>\$2,399.6</i>	<i>\$2,576.4</i>	<i>7.4%</i>
<i>Prison Construction Fund</i>	<i>28.7</i>	<i>31.3</i>	<i>32.3</i>	<i>3.1</i>
<i>Federal Trust Fund</i>	<i>0.5</i>	<i>0.3</i>	<i>0.2</i>	<i>-18.1</i>
<i>Inmate Welfare Fund</i>	<i>28.0</i>	<i>33.3</i>	<i>35.2</i>	<i>5.8</i>
<i>Petroleum Violation Escrow Account</i>	<i>—</i>	<i>—</i>	<i>2.0</i>	<i>100.0</i>
<i>Asset Forfeiture Account</i>	<i>—</i>	<i>—</i>	<i>0.1</i>	<i>100.0</i>
<i>Reimbursements</i>	<i>21.7</i>	<i>27.2</i>	<i>40.4</i>	<i>48.5</i>
Personnel-Years by Program				
Institution	23,216	25,250	26,677	5.7%
Community Corrections	2,145	2,622	2,815	7.4
Administration	1,159	1,259	1,324	5.2
Total Personnel-Years	26,520	29,131	30,816	5.8%

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

In addition to the requests to accommodate increased inmate and parole populations, the budget proposes changes in the following major areas:

- \$8.1 million to provide educational, drug rehabilitation, and employment placement services, and temporary housing for parolees in order to ensure the successful transition of parolees back into society.
- \$3.3 million to augment existing resources for outpatient mental health treatment for inmates.

DEPARTMENT OF CORRECTIONS—Continued

(dollars in millions)					
	General Fund	Bond Funds	Inmate Welfare Fund	Reimburse-ments & Others	Total^a
1991-92 Expenditures (rev.)	\$2,399.6	\$31.3	\$33.3	\$27.5	\$2,491.7
<i>Baseline adjustments</i>					
Inflation	\$8.4	\$0.4	\$0.5	\$0.3	\$9.6
Sections 1.20 and 3.90	27.5	—	—	12.9	40.4
Others	30.2	—	0.2	-0.5	29.9
Subtotals	(\$66.1)	(\$0.4)	(\$0.7)	(\$12.7)	(\$79.9)
<i>Workload Changes</i>					
Inmate population	\$77.0	\$0.2	-\$0.5	\$0.4	\$77.1
Parole population	4.9	—	—	—	4.9
Other	12.4	—	1.6	—	14.0
Subtotals	(\$94.3)	(\$0.2)	(\$1.1)	(\$0.4)	(\$96.0)
<i>Program Changes</i>					
Community Correctional Administration	\$14.0	—	—	\$0.1	\$14.1
Subtotals	2.4	\$0.5	\$0.1	2.1	5.1
Subtotals	(\$16.4)	(\$0.5)	(\$0.1)	(\$2.2)	(\$19.2)
1992-93 Expenditures (prop.)	\$2,576.4	\$32.3	\$35.2	\$42.7	\$2,686.5
Change from 1991-92					
Amount	\$176.8	\$1.0	\$1.9	\$15.2	\$194.8
Percent	7.4%	3.2%	5.7%	55.3%	7.8%

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

- \$2.4 million to improve the management and efficiency of the department's offender prison records.
- \$1.5 million (and the redirection of existing resources) to convert the Northern Reception Center at the California Medical Facility to house and provide services to inmates who have tested positive for the AIDS virus.
- \$1.2 million to support and maintain the Parole Division's Distributed Data Processing System, which automates the parolee tracking information and produces reports used to manage the parolee population.

- \$883,000 (and the redirection of existing resources and future program savings) to establish a "shock incarceration" program to reduce immediate and future inmate population.

We discuss a number of these proposals in more detail below.

Unallocated Reductions. This department, along with most other state departments, has been subject to a variety of reductions over the past several years. In 1991-92, the department took an unallocated reduction of 4.5 percent from the General Fund. This budget proposes to restore most of the reduction in 1991-92, but still carry over a small portion of the cut into 1992-93. In our companion document, *The 1992-93 Budget Perspectives and Issues*, we discuss the impact of unallocated reductions on various departments.

The Budget Act of 1991 also included an additional unallocated reduction of \$112 million for the CDC, that was taken by the Legislature during the 1991 Conference Committee on the Budget. Included with the reduction was Budget Bill language identifying specific expenditures and program areas where the department was to make these unallocated reductions. The Governor, however, vetoed the language and indicated in his veto message his intent to restore \$94 million to the CDC's budget. Subsequently, the \$94 million set-aside was offset by \$24.3 million in program savings as a result of lower inmate and parole populations, delays in the activation of community based facilities, and the implementation of a new summary caseload management program for parolees-at-large. As previously noted, the department submitted a deficiency request for \$69.7 million from the General Fund to restore that remaining portion of the reduction.

Analysis and Recommendations

Institutions Program

The budget proposes expenditures of \$2.3 billion for the Institutions Program in 1992-93, an increase of \$84.1 million, or 3.7 percent, above the current-year estimate. The amount primarily includes costs for inmate population growth and new prison activation.

Inmate Population Increases. The department projects that California's inmate population will increase during 1992-93, as shown in Table 3. The table shows that the total population is projected to increase by 5.1 percent in the budget year, from an estimated 105,081 at the end of the current year to a projected 110,482 at the end of 1992-93. This increase is significantly smaller than in recent years (we discuss the inmate population projection in more detail below).

DEPARTMENT OF CORRECTIONS—Continued

Table 3

**Department of Corrections
Inmate Population^a
June 1991 through June 1993**

	Actual 6/30/91	Estimated 6/30/92	Projected 6/30/93	Percent Increase From 6/30/92
Male felon	92,616	95,719	100,656	5.2%
Male nonfelon and others	2,724	2,751	2,854	3.7
Female felons	5,998	5,963	6,287	5.4
Female nonfelon and others	657	648	685	5.7
Totals	101,995	105,081	110,482	5.1%

^a Based on the department's fall 1991 projections. The 1992-93 budget request is based on slightly lower figures (presumably due to the recent decline in the actual population).

Inmate Housing Plan. Table 4 displays the department's plan for housing the additional inmates in the budget year, as well as the system's budgeted bed capacity for the current and prior years. The table shows that during 1992-93, 4,908 new beds are planned for activation and an additional 52 beds will be added through overcrowding.

Who Is In Prison?

Charts 1 through 4 illustrate the characteristics of the state's prison population, as of June 30, 1991. As the charts show:

- The majority of inmates are incarcerated for *nonviolent offenses* (Chart 1).
- About two-thirds of all inmates were committed to prison from southern California, and about 40 percent from Los Angeles County (Chart 2).
- More than two-thirds of all inmates are between 20 and 34 years of age. The number of inmates in older age groups falls dramatically (Chart 3).
- The prison population is divided relatively evenly between Whites, Blacks, and Hispanics (Chart 4).

Table 4

**Department of Corrections
Inmate Housing Plan
1990-91 through 1992-93**

County	1990-91 Budgeted Bed Level ^a	New Beds	1991-92		1992-93			
			Change in Over- Crowding	Budgeted Bed Level ^a	New Beds	Change in Over- Crowding	Budgeted Bed Level ^a	
New Institutions								
Calipatria State Prison	Imperial	—	2,208	400	2,608	—	1,400	4,008
California State Prison, Delano	Kern	—	—	—	—	2,492	1,164	3,656
California State Prison, Lancaster	Los Angeles	—	—	—	—	2,200	800	3,000
Existing Institutions								
Avenal State Prison	Kings	5,044	—	160	5,204	—	-300	4,904
California Correction Center (CCC)	Lassen	3,957	—	-444	3,513	—	-150	3,363
California Correctional Institution (CCI)	Kern	5,775	—	-457	5,318	—	-250	5,068
Central California Women's Facility (CCWF)	Madera	2,182	—	142	2,324	—	408	2,732
California Institute for Men (CIM)	San Bernardino	6,440	—	-1,069	5,371	—	—	5,371
California Institute for Women (CIW)	San Bernardino	1,902	—	-256	1,646	—	—	1,646
California Medical Facility (CMF)	Solano	8,216	—	-450	7,766	-100	-162	7,504

Continued

County	1991-92				1992-93			
	1990-91 Budgeted Bed Level ^a	New Beds	Change in Over- Crowding	Budgeted Bed Level ^a	New Beds	Change in Over- Crowding	Budgeted Bed Level ^a	
California Mens Colony (CMC)	San Luis Obispo	6,444	—	-250	6,194	—	—	6,194
California Rehabilitation Center (CRC)	Riverside	4,748	—	-297	4,451	—	-296	4,155
California State Prison, Corcoran	Kings	5,486	—	51	5,537	—	-242	5,295
California Training Facility (CTF)	Monterey	6,226	—	-220	6,006	—	-530	5,476
Chuckawalla Valley State Prison (CVSP)	Riverside	3,192	—	—	3,192	—	-396	2,796
Deuel Vocational Institute (DVI)	San Joaquin	3,446	—	—	3,446	—	-100	3,346
Folsom State Prison	Sacramento	6,964	-316	-380	6,268	316	284	6,868
Mule Creek State Prison (MCSP)	Amador	3,638	—	—	3,638	—	-320	3,318
Northern California Women's Facility (NCWF)	San Joaquin	760	—	—	760	—	—	760
Pelican Bay State Prison	Del Norte	3,348	224	258	3,830	—	—	3,830
Richard J. Donovan Correctional Facility (RJD)	San Diego	4,738	—	-50	4,688	—	-294	4,394
San Quentin State Prison	Marin	5,654	—	101	5,755	—	-380	5,375
Sierra Conservation Center (SCC)	Tuolumne	3,854	—	-332	3,522	—	-240	3,282
California State Prison, Wasco	Kern	1,150	1,784	1,406	4,340	—	-592	3,748
All Camps	various	4,008	40	—	4,048	—	—	4,048
Unallocated		-845	—	-648	-1,493	—	248	-1,245
Totals		96,327	3,940	-2,335	97,932	4,908	52	102,892

^a Includes total beds (design capacity and overcrowding).

Chart 1

**Prison Population by Type of Offense
June 30, 1991**

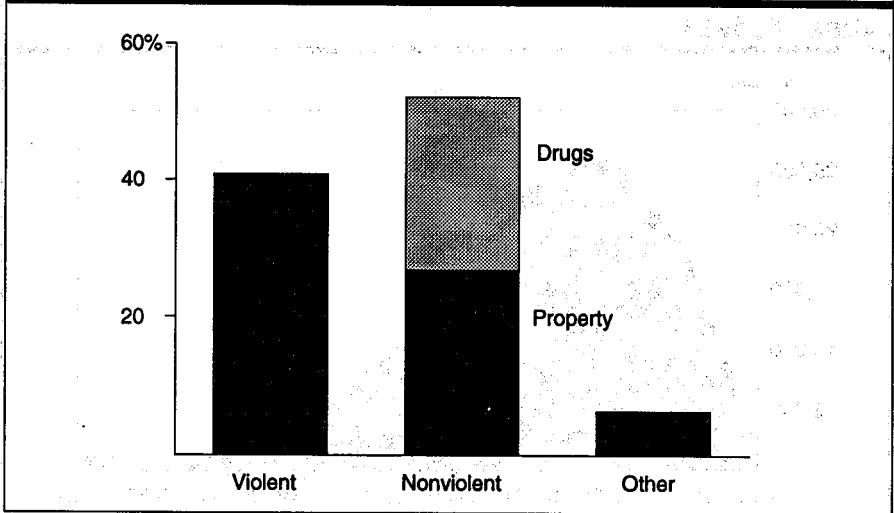
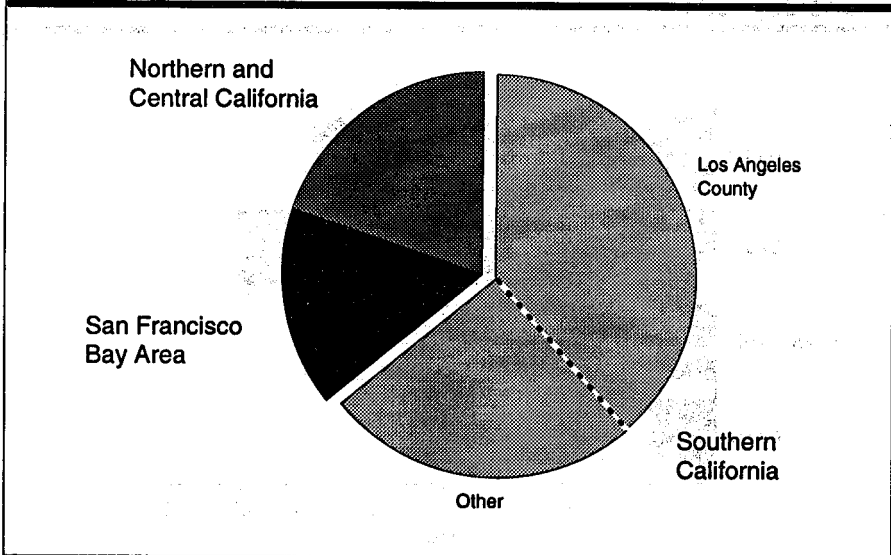


Chart 2

**Prison Population by Area of Commitment
June 30, 1991**



DEPARTMENT OF CORRECTIONS—Continued

Chart 3

**Prison Population by Age Group
June 30, 1991**

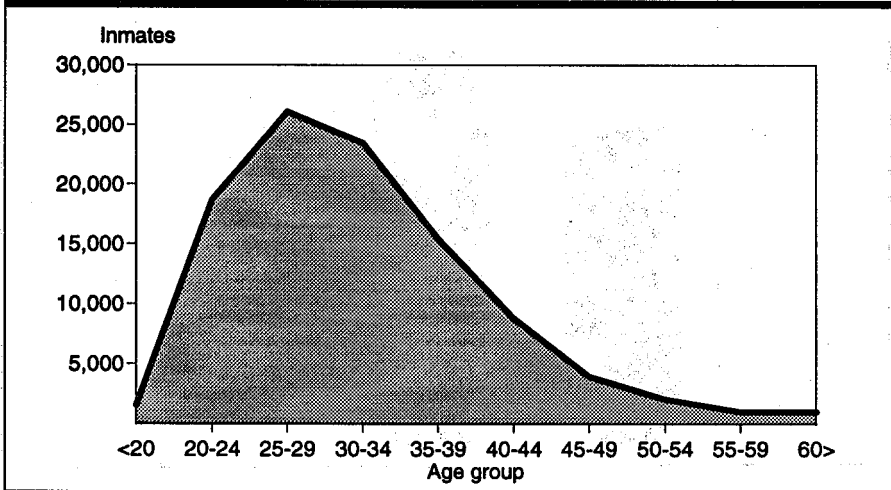
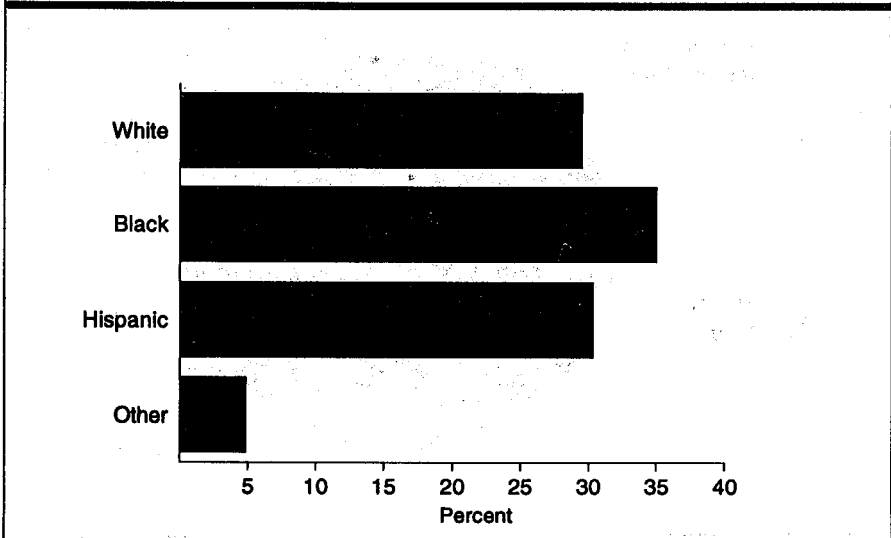


Chart 4

**Prison Population by Ethnicity
June 30, 1991**



Prison Population Growth Slows Dramatically

The CDC projects that growth in the inmate population will slow dramatically over the next six years. In the long run, however, there are several factors that could result in more rapid growth than the department now projects. Even if inmate population grows no faster than the department's projections, prison overcrowding will continue to increase unless the Legislature takes additional steps to control inmate population or authorizes additional prison construction or alternative inmate housing programs.

The CDC's fall 1991 inmate population projections (which form the basis for the 1992-93 Governor's Budget spending plan) predict that the number of inmates in state prison will grow at an average annual rate of 5.4 percent over the next six years (through 1996-97), reaching 139,991 inmates on June 30, 1997. This is less than half the annual growth rate of about 13 percent observed over the past six years. This projection is significantly lower than the department's last projection from spring 1991. Chart 5 compares the two most recent projections.

The CDC attributes this reduced rate of growth to (1) a substantially reduced rate of new admissions to prison and (2) a sharp reduction in the rate at which CDC returns parolees to custody for parole violations.

Drop in Drug Arrests Slows New Admissions to Prison. Felon new admissions to state prison are adults received in prison, other than parole violators, under sentence for a new term. The CDC also receives inmates as parole returns, either from court after successful prosecution for a new offense (parole violators with new terms, or PV-WNTs) or through an unprosecuted violation of parole (parole violators returned to custody, or PV-RTCs). Male felon new admissions (the vast majority of all new admissions to prison) increased by about 6 percent in 1990-91, less than half of the 14 percent average annual rate of growth observed over the previous five years. Felon new admissions from the Los Angeles and San Francisco Bay areas actually *declined* in 1990-91. Other major state prison systems, including New York, Florida, Michigan, Ohio, and Georgia have also observed a slowdown or decline in new admissions.

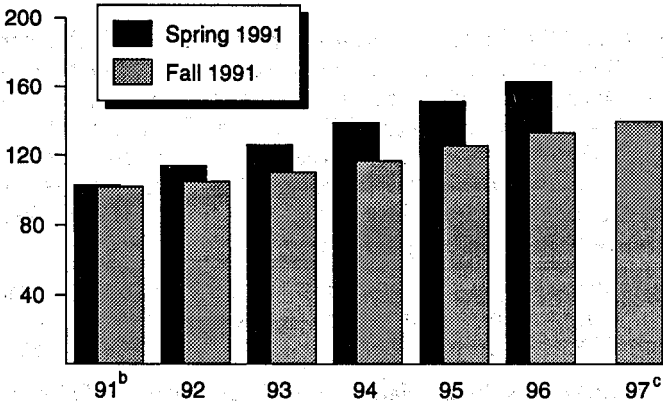
Rapid growth in new admissions between 1983 and 1989 resulted primarily from admissions for drug offenses. Admissions for drug offenses increased at an average annual rate of 36 percent during the period, while admissions for violent offenses and property offenses increased by about 1 percent and 5 percent per year, respectively. This rate of increase for drug offenses occurred because (1) the rate of felony drug arrests was increasing (average annual growth of 14 percent between 1983 and 1988), and (2) more felony drug offenders were being punished with prison terms (23 percent of felony drug convictions resulted in a prison sentence in 1983, compared to 38 percent in 1989).

DEPARTMENT OF CORRECTIONS—Continued

Chart 5

**Comparison of Spring and Fall 1991
Prison Inmate Population Projections
1991 through 1997^a**

(In thousands)



^a Data as of June 30 of each year.

^b Actual population for fall 1991.

^c No spring 1991 estimate.

New admissions for drug offenses, however, grew only 6 percent in 1990, and actually decreased by 12 percent during the first half of 1991, compared to the same period in 1990. This abrupt reversal of the recent trend was due to a drop in the statewide arrest rate for felony drug offenses. Chart 6 shows that the felony drug arrest rate increased by only 3 percent in 1989, and declined by 21 percent in 1990.

What is the Causing Decline in Drug Arrests? Our conversations with the CDC, the Department of Justice (DOJ), and local law enforcement officials indicate that the decline in drug arrest rates resulted from the interaction of several factors:

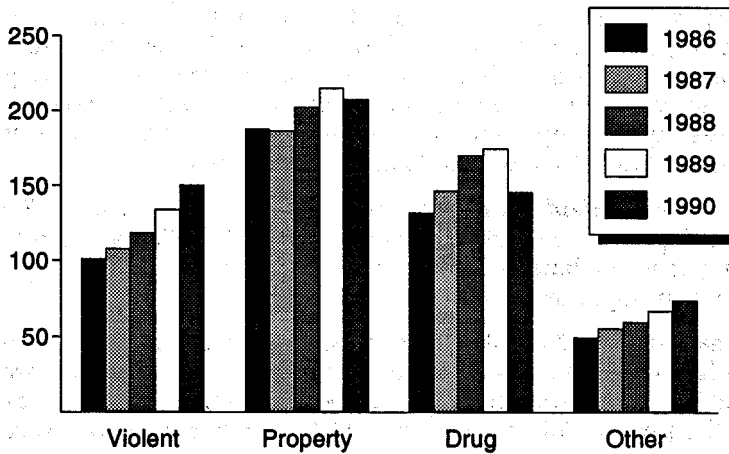
- **Limited Local Government Resources, Increase in Violent Crime.** Some sources indicated that the current volume of drug arrests observed in the late 1980s taxed existing law enforcement resources to the limit. With availability of additional resources constrained by the current recession, as well as long-term local revenue problems, some sources indicated that resources had to be pulled away from drug enforcement to deal with an increase in reports of violent crime. Chart 6 shows that

arrest rates for violent crime rose in 1990, while arrest rates for drug and property crimes declined.

Chart 6

Felony Arrest Rates by Type of Offense 1986 through 1990

(in thousands)



- Shift in Drug Enforcement Focus and Tactics.** The DOJ and some county sheriff's offices indicated that they were devoting fewer resources to street dealers and more to drug traffickers and large quantity dealers. The latter are harder to investigate and arrest, involving more time and resources per arrest. City police departments, however, appeared less likely to have changed tactics (their drug arrest rates were down, nonetheless). Staff of the San Diego Police Department, for example, indicated that their department was gearing up for a major new street enforcement effort.
- Increase in Sophistication of Drug Dealers.** Virtually all of our contacts indicated that dealers are increasingly harder to catch, because of improved equipment and more effective organization.
- Decline in Drug Use.** Surveys by the National Institute on Drug Abuse and the National Institute of Justice indicate that drug use among criminals may have decreased between 1988 and 1990.

DEPARTMENT OF CORRECTIONS—Continued

- **Change in Type of Drug Use.** Some local jurisdictions reported less use of crack cocaine and less crack house activity. Some speculated that the crack cocaine epidemic in many areas of California may have peaked. On the other hand, crack use and dealing appear to remain on the rise in some areas, such as San Diego.
- **Expansion of Federal Presence in Narcotics Enforcement.** Some local law enforcement agencies indicated that, when possible, they prefer to seek federal prosecution and incarceration of drug offenders, because they perceive federal drug laws as tougher and as allowing for greater ease of prosecution than state laws. Some indicated that the federal government is expanding its role in creating and coordinating local task forces to obtain arrests of major dealers. Either trend may be increasing the proportion of federal arrests and prosecutions of drug dealers relative to local arrests and prosecutions.

Policy Changes Yield Sharply Lower Parole Revocation Rate. Recently implemented policies by the CDC and the Board of Prison Terms (BPT) regarding parole violations also contribute to slower prison population growth. Specifically, these policies:

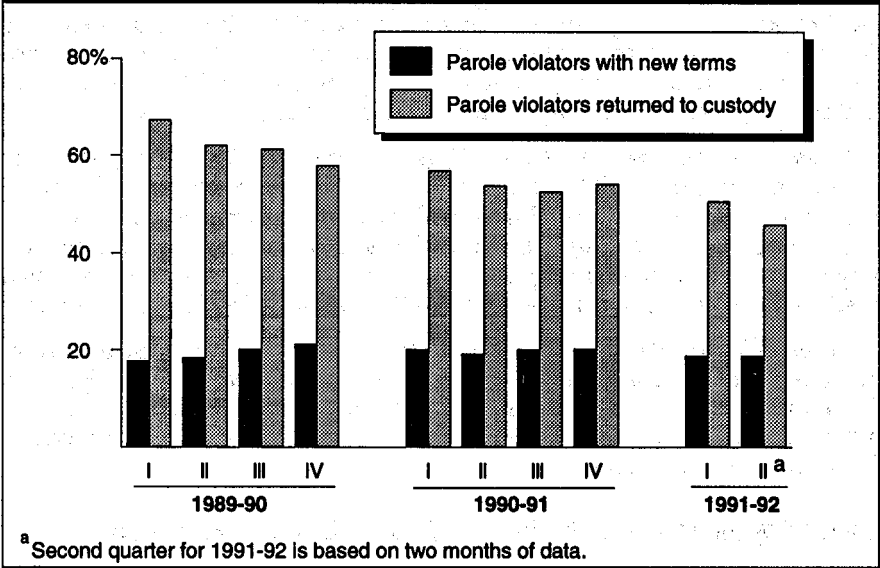
- Increase the CDC's control over imposition of parole "holds" on CDC parolees who are arrested by local authorities for minor offenses that would not ordinarily be subject to local prosecution (such as, disturbing the peace). This permits the CDC's parole agents to divert some offenders from prison to community-based sanctions or treatment programs, such as substance abuse treatment.
- Delay the issuance of warrants on parolees at large for 60 days. Effective July 1991, the BPT substantially revised its policy for suspending parole and issuing warrants. The board will not issue a warrant until after the parolee has absconded for more than 60 days, unless the parole violation constitutes a crime or the parolee poses a threat to public safety. This policy gives parole agents additional time to find parolees who have absconded and, in some cases, identify community-based sanctions or treatment programs, such as temporary housing or substance abuse services, that would be more appropriate than reincarceration.

The department's decision to provide additional services to nonviolent parole violators, rather than reincarceration, to ensure the successful completion of parole constitutes a dramatic change in the parole program. As a result, the CDC anticipates that its parole agents will return 15 percent fewer parole violators to custody in 1991-92 than in 1990-91. Chart 7 shows the rate of parole violators returned to state prison over the last three years. The chart shows that the violation rate for PV-RTCs has dropped from 67 percent in mid-1989 to 46 percent currently. The CDC anticipates that the

number of PV-RTCs will increase at an average annual rate of about 4 percent between 1991-92 and 1996-97. (Even at lower violation rates, the number of violators will increase as the population base increases). This is about *one-tenth* the average annual rate of increase for PV-RTCs between 1983 and 1989.

Chart 7

**Parole Violation Rates By Quarter
1989-90 through 1991-92**



Prison Population Estimates Less Certain In the Long Run

Based on our analysis of the department's projections and our conversations with local law enforcement officials, the department appears well justified in assuming that inmate population will grow at a slower rate in the near term. The *long-run* accuracy of the department's projections, however, depends primarily on legislation-driven changes in sentencing law, local government revenues and spending priorities, and the policies of local prosecuting agencies and the CDC. Changes in the following arenas could easily result in a higher-than-projected growth rate by increasing either the number of inmates admitted or the amount of time they spend in prison.

DEPARTMENT OF CORRECTIONS—Continued

Sentence Increases Through Legislation. The department's projections assume no changes in law that will increase sentence lengths beyond those changes chaptered in legislation in 1991. Future legislation that increases sentence length or upgrades criminal penalties (by denying probation as a penalty option for an offense or upgrading a misdemeanor offense to a felony) could lead to higher-than-expected rates of inmate population growth. In 1991-92, for example, more than 4,000 prison beds were filled as a result of sentencing legislation chaptered between 1985 and 1989.

Change in Local Revenues or Spending Priorities. To the extent that the fiscal condition of local governments improves following an upturn in the California economy, or local officials are pressured to do more street-level drug enforcement, the rate of felony drug arrests could increase again, leading to growth in new admissions beyond anticipated levels.

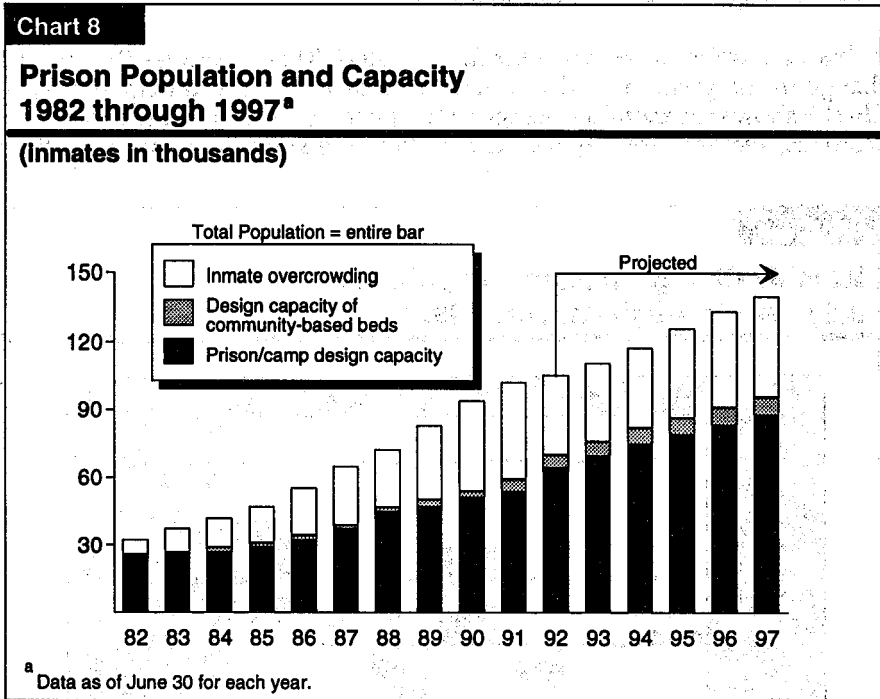
Change in Policies of Local Prosecuting Agencies. Changes in the prosecution patterns of local district attorneys could increase the prison population. For example, the Los Angeles County District Attorney recently announced that the county's prosecutors would no longer accept any plea bargains with an offender for less than the maximum sentence. Such policies would add to the prison inmate population by ensuring longer sentences.

Change in Parole Revocation Criteria. As we indicated earlier, recent changes by the CDC and the BPT regarding parole revocation decisions have slowed growth in the number of PV-RTCs returned to prison. If in the future either department chose to apply more stringent parole revocation criteria, this trend could be reversed.

Slower Population Growth Will Not Solve Prison Overcrowding

Chart 8 demonstrates that, despite slower prison population growth and the completion of new prison beds currently funded for construction, *state prisons will be more overcrowded by the end of 1996-97 than they are currently.* This is true even given the significantly lower estimates of future prison population assumed in the budget.

Prisons are currently operating at about 169 percent of design capacity. Unless the Legislature takes further steps to control inmate population growth or authorizes additional prison construction or alternative inmate housing, prison overcrowding will reach 187 percent of design capacity by the end of 1996-97.



Current-Year Inmate Population Growth May Be Overbudgeted

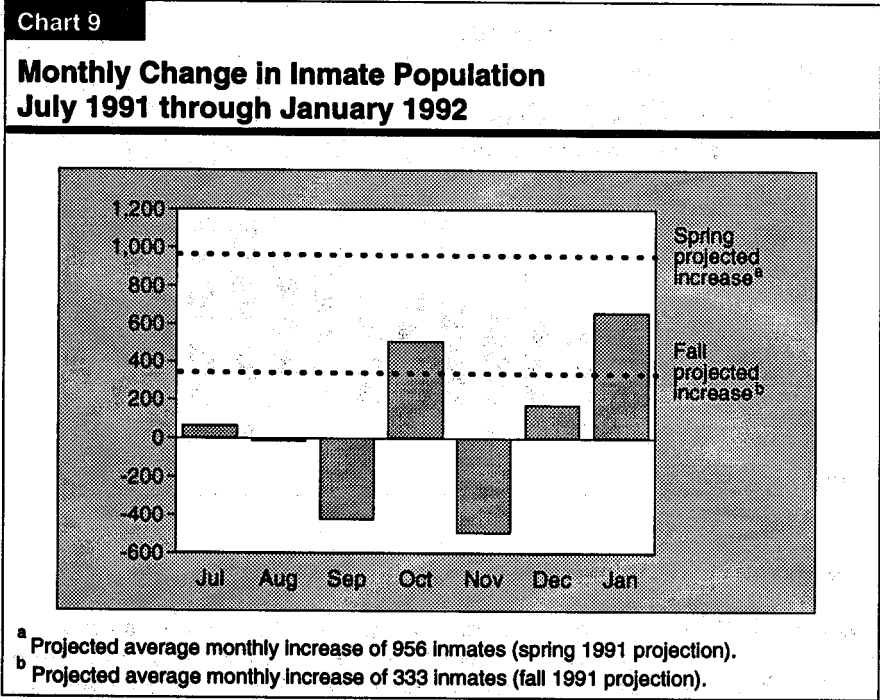
Although the CDC assumed slower growth in the inmate population in the current year, the population has grown even slower and is now only slightly above the level it reached at the end of 1990-91. If the population remains relatively flat for the remainder of the current year, the state will experience significant General Fund savings.

Funding to support the CDC in the 1991 Budget Act was based on the inmate population projections that were completed in the spring of 1991. As noted earlier, based on the more recent fall projections, the CDC now expects about 4,700 fewer inmates in prison at the end of the current year than it anticipated when the Legislature enacted the 1991 Budget Act. The savings associated with this reduction are reflected in the department's revised current-year budget and 1992-93 budget request.

Actual Population Lower Than CDC's Recent Projections. Our review indicates that the population *may be even lower* than the department's revised fall projections. Actual population data for the first seven months of 1991-92 indicate that there are currently 573 fewer inmates than estimated in the fall projection. In fact, *at the end of January 1992, the inmate population has increased*

DEPARTMENT OF CORRECTIONS—Continued

by less than half of one percent since June 30, 1991. This is because the monthly change in the prison population has been far below the anticipated levels. Chart 9 shows the monthly change in the prison population compared to the projected average monthly increase for both the spring and fall projections.



Fiscal Implications. If the inmate population remains relatively flat for the rest of the current year, the state would realize General Fund savings in the millions of dollars beyond amounts assumed in the Governor's Budget. Even if the inmate population increases at the rate projected by the department for the remainder of the current year, the population base will be much lower for 1992-93 and beyond.

Institution Population Projection Will Be Updated in May

We withhold recommendation on an increase of \$77 million requested to fund inmate population growth in the budget year, 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 \$77 million and 673 positions to accommodate inmate population growth in institutions, and to fund associated population-driven support costs.

In general, the inmate population projections, which form the basis for the Governor's Budget proposal, change significantly between January and the time that the Legislature approves the Budget Bill. This is because the department receives several more months of actual inmate population data and more up-to-date information on criminal and law enforcement activity prior to the May revision. Consequently, we withhold recommendation on \$77 million requested to fund inmate population growth, pending receipt of the department's revised estimates in May.

Alternative Sentencing Program Contains Uncertainties

We withhold recommendation on \$831,000 from the General Fund for the pilot Alternative Sentencing Program (ASP), pending a report at budget hearings on (1) the status of legislation to authorize the program, (2) the selection criteria for inmates and staff for the program, and (3) the feasibility of adding a second work furlough facility or reducing the geographic area of the pilot program.

The budget requests an additional \$831,000 from the General Fund and the redirection of \$1.6 million of existing resources from San Quentin State Prison and \$1.3 million of parole program savings to implement a new pilot ASP. The program would place 176 selected male offenders in a short-term "shock incarceration program," followed by intensive supervision of the offenders on parole. The department believes that the program will be more cost-effective than regular incarceration, reduce overcrowding, reduce the rate of recidivism for these offenders, and expand the parole program into a system of highly structured correctional supervision.

The program, which includes a follow-up research component, is similar to a number of programs operated by other states and by the Los Angeles County Sheriff's Department. The budget proposes to establish a similar pilot program in the Department of the Youth Authority, known as the Leadership, Esteem, Ability, and Discipline (LEAD) Program. (Please see our analysis of the Youth Authority — Item 5460 — for additional information on the LEAD Program proposal.)

"Shock Incarceration." The ASP would provide a short period of confinement (120 days) in prison during which less serious, nonviolent offenders, who have never served a sentence in a state or federal prison, would be placed in an intensive military-style incarceration boot camp, which emphasizes strict discipline, military-style drill and ceremony, physical exercise and labor, along with structured counseling and education. Offenders in the ASP would be incarcerated for a significantly shorter period than similar offenders who are not in the program.

DEPARTMENT OF CORRECTIONS—Continued

The department proposes to establish the boot camp at San Quentin State Prison. The program would maintain four platoons with 44 offenders per platoon. Offenders would be accepted from the six Bay Area counties (Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara).

Intensive Parole Supervision. Upon the successful completion of the 120-day incarceration period, the offenders would be released on parole, as a group, to an intensive 180-day parole supervision program. The parole supervision phase of ASP is modeled after the department's work furlough program.

During the first 60 days of the parole phase, the ASP parolees would live together at a work furlough facility and work with the facility staff to locate employment and housing to ensure that the parolees successfully transition back into their Bay Area communities. The department proposes to expand the existing work furlough program at the Naval Supply Center in Oakland to accommodate the parolees.

During the final 120 days of intense parole supervision, each platoon would be supervised by two parole agents and one parole services assistant. The staff would focus much of their attention on either the ASP parolees' employment or participation in a schooling or training program to enhance the parolees' employability. The ASP parolees would be required to meet frequently with their parole agents and in platoon meetings, and would be subject to drug testing. Parolees who successfully completed the intensive parole supervision phase would be fully discharged.

Concerns Regarding the Program. Our review of research literature on similar "shock incarceration" programs indicates that a program for CDC inmates may result in long-term General Fund savings to the state primarily from reduced recidivism. However, we have a number of concerns surrounding the proposal that the CDC should address before the program is approved by the Legislature.

- **Program Will Require Enactment of Legislation.** In order to implement the program, the department must first have authorizing legislation. This is because the department proposes to substantially reduce the prison sentences of the participants. At the time this analysis was prepared, the department indicated that the legislation had been drafted but not introduced.
- **Inmate Selection Criteria.** Under the department's proposal, eligible inmates would have to volunteer for the program, and would have to be nonviolent offenders with sentences of at least one year who have never been incarcerated previously in state or federal prisons. Our review indicates that the selection criteria will, to a large degree, determine whether the program is successful. Thus, it will be impor-

tant for the legislation to specifically identify the types of felons who will be eligible for the program.

- **Staff Selection Criteria.** In addition to the inmate selection criteria, it would be important for the CDC to establish selection criteria for the correctional staff assigned to the program. This is because the correctional staff would lead the ASP platoons through intensive military-style drills and ceremony, and intensive physical training and labor, as well as serve as the role models, counselors, and mentors to the participants. A recent study by the National Institute of Justice indicates that military-style boot camp custody assignments are very stressful. Thus, the department should ensure that its ASP staff are individuals who are committed to the goals of the program and who have demonstrated that they are capable of coping with the stress.
- **Large Geographic Area for Work Furlough Facility.** Given the large geographic area, we are concerned that some of the ASP parolees could find it difficult to find work or housing in parts of the Bay Area that are furthest from the Oakland work furlough facility (such as Santa Clara County). Thus, the department may wish to consider adding a second work furlough facility or accepting participants from a smaller geographic area around Oakland.

Analyst's Recommendation. Because of the uncertainties listed above, we withhold recommendation on the proposed pilot ASP, pending a report during budget hearings on the following issues:

- Status of the authorizing legislation.
- Selection criteria for the inmates and staff for the program.
- Feasibility of adding a second work furlough facility or reducing the geographic area of the pilot project.

Department Should Develop A Planning Orientation for Medical Care

We recommend that the Legislature adopt supplemental report language directing the CDC to complete a comprehensive medical care master plan and submit it to the Legislature during 1992-93. We further recommend that the CDC report during budget hearings on (1) steps it will take to develop the master plan and (2) a timeframe for completion of the plan.

The budget requests \$213 million to provide medical services to inmates in 1992-93. This amount includes a number of significant program changes to the department's medical and mental health programs (many of the proposals are discussed in more detail below). In addition, the budget includes a capital outlay proposal for a new health care facility at the CIW (see our analysis of the capital outlay proposals at the back of this document).

DEPARTMENT OF CORRECTIONS—Continued

Inmate Medical Care Costs Increasing. Over the past five years, the costs of providing medical services to inmates has increased by more than 75 percent. The Legislature has supported major improvements in the CDC's medical care system during this time, such as providing sufficient funds to bring prison hospitals up to standards for licensure by the Department of Health Services (DHS) and implementation of a new psychiatric care program administered by the Department of Mental Health (DMH). A number of other factors have driven the increases in costs, including the continuing growth in the inmate population, rapidly increasing costs for health care generally, and the emergence of more costly diseases, such as AIDS.

Too Little Planning, Too Much Litigation. Our review indicates that, although the CDC has made some improvements in administration of its medical programs, the programs are too often characterized by a lack of adequate long-term planning and "crisis management," often brought about by litigation. For example, the CDC's justification for two significant budget proposals — restructuring of the existing psychiatric outpatient program and authorization to build a new health care facility at CIW — are based on consent decrees and court orders.

The lack of long-term planning has been apparent over the years. For example, the Legislature originally provided funds to license four prison hospitals in 1981-82, but, because of poor planning, had to provide funds again in 1985-86 and 1986-87 in order to obtain licensure. The hospitals were not fully licensed until 1988-89, after a court ordered the department to obtain licensure within specified time periods. However, by that time, the first facility to achieve licensure had already lost its license.

Roadblocks Have Stalled the Planning Effort. There are a number of reasons explaining the department's insufficient health care planning efforts over the years: lack of emphasis on planning and staff experienced in medical care planning, diversion of resources to address other medical issues (such as the high vacancy among medical personnel), lack of coordination among the CDC and other agencies (such as the DMH and the DHS), and lack of the most basic data and information needed for control and planning (such as the type and number of medical procedures performed, contractor costs and usage, a medical equipment inventory, and medication costs).

The department has made some progress toward resolving these problems. For example, the CDC is entering the third phase of a project to fully implement a medical accounting system that will make it possible to gather information on health care costs and inpatient and outpatient utilization.

In addition, the CDC has improved planning in some areas of its provision of medical care (such as its current Mental Health Services Delivery

System Study). However, its efforts often are not comprehensive, and the department takes actions before a plan is fully developed (see the discussion of the proposed expansion of the outpatient psychiatric program below).

Comprehensive Medical Master Plan Needed. The department's lack of comprehensive, long-term medical care planning diverts resources from providing health care services to managing the latest crisis or lawsuit. The lack of planning also makes it difficult for the Legislature to determine the best way to provide quality medical care for inmates in the most cost effective manner possible. Obviously, any long-term plan will be subject to change. However, careful planning and timely submittal of information to the Legislature should assist both the department and the Legislature in assessing the needs, options, and costs of medical care services.

For these reasons, we believe that the department should develop a long-term medical care master plan. The plan should assess the medical needs of the inmate population, how services will be provided (inpatient, outpatient, contracted), the timeframe for implementing various program changes, estimated costs of various options, and alternatives for the provision of services if underlying assumptions are changed.

Analyst's Recommendation. We recommend that the Legislature adopt supplemental report language directing the CDC to complete a comprehensive medical care master plan and submit it to the Legislature during 1992-93. We further recommend that the CDC report during budget hearings on (1) steps it will take to develop the master plan, and (2) a timeframe for completion of the plan.

Department Should Report on Impact of Mental Health Lawsuits

We recommend that the department report to the Legislature, prior to budget hearings, on the potential impact of the settlement of recent lawsuits against the California Medical Facility (CMF) Psychiatric Outpatient Care (POC) Program on the provision of mental health services at other prisons.

The budget proposes to substantially restructure the existing POC Program at the CMF in response to litigation. Specifically, the budget requests \$1.5 million and 33 positions, redirected from existing mental health programs.

Background. The POC Program was established for male inmates at the CMF and the California Men's Colony (CMC) in San Luis Obispo in 1988-89, and for female inmates at the California Institution for Women (CIW) in Frontera in 1989-90. At the time it was established, 943 male inmates were housed at the CMF and 1,350 male inmates were housed at the CMC. The CMF program treats inmates who are acutely mentally ill and require inpatient care, or who are less ill or in remission but still require special psychiatric care because their condition poses a serious management problem. The program was modeled after the type of mental health program

DEPARTMENT OF CORRECTIONS—Continued

that the U.S. Department of Veterans Affairs (DVA) uses. This model relies heavily on the use of psychiatrists and medication in the treatment of patients.

Restructuring of CMF POC Results From Litigation. Two lawsuits were filed against the department in federal court under the federal Civil Rights of Institutionalized Persons Act. Both suits — *Gates v. Deukmejian* and *USA v. Deukmejian* — claimed that the CMF program was deficient in its provision of psychiatric services to inmates. Rather than enter into a prolonged litigation process, the department negotiated a settlement with the complainants. The resulting consent decrees established specific standards and guidelines for administration and structure of the CMF POC Program. The department is now attempting to model its POC Program after a similar mental health program operated by the U.S. Medical Center for Federal Prisoners in Springfield, Missouri. The key element of this program is the "Interdisciplinary Team" approach. Under the model, a psychiatrist functions as a team leader and assigns certain duties normally handled by a physician to clinicians. The department indicates that the federal court has indicated that a program of this nature is acceptable.

What Impact Will Settlement Have on Other Mental Health Services? Although the department's proposal to restructure the CMF POC Program appears reasonable, it is not clear what impact, if any, the consent decree will have on the provision of mental health services at other California prisons. The CMC and CIW, for example, also operate POC Programs that are modeled after the programs operated by the U.S. DVA, rather than the U.S. Medical Center for Federal Prisoners. For this reason, we recommend that the department report to the Legislature, prior to budget hearings, on the potential impact of the consent decree on mental health services provided at institutions other than the CMF.

Expansion of the Outpatient Psychiatric Care Program Should Await Results of Study

We withhold recommendation on \$3.3 million and 64.5 positions for the new Enhanced Outpatient Psychiatric Care Program, pending receipt and review of the CDC's Mental Health Services Delivery System Study.

The budget requests \$3.3 million from the General Fund and 64.5 positions to expand the current POC Program to two additional institutions, in order to meet the needs of inmates who have less serious mental illnesses. The expanded program would be known as the Enhanced Outpatient Psychiatric (EOP) Care Program.

Insufficient Resources to Meet the Needs of the Growing Mentally Ill Inmate Population. Although the department can currently provide

psychiatric outpatient mental health treatment for 2,293 male inmates, the department estimates that there are currently 3,141 inmates who need such services. The department bases this figure on maintaining the same portion of mental health beds to total male population in the current year as in 1988-89, when the POC Program was first established. To support this figure, the department conducted a telephone survey of five of the largest male institutions, excluding CMF and CMC, in August 1991. The department found that as many as 1,000 male inmates were being prescribed psychotropic medications and/or being evaluated by a mental health clinician or physician for mental illness. This group, the department concluded, represents an overflow of the mentally ill population that is receiving insufficient treatment.

New EOP Care Program. The department estimates that it needs to add an additional 848 beds dedicated to providing psychiatric outpatient services for a variety of less seriously mentally ill inmates. This limited population includes:

- Inmates with active psychoses who require a medium level of treatment, or who cannot benefit from further treatment and cannot be placed in the general inmate population.
- Inpatient psychotics returning from a DMH facility who have become stabilized.
- Inmates who have recovered from their outward symptoms but who need supervised medications and structured clinical follow-up to remain stable.

The department proposes to add these additional beds to two existing institutions that have yet to be determined. According to the department, the facilities would be selected based on conduciveness to housing mentally ill inmates, availability of sufficient resources to meet the program needs, and the feasibility of recruiting and retaining mental health professionals. In addition, the department would require that one of the facilities be capable of housing and treating maximum security inmates.

To staff the program, the department is requesting 60.5 staff to provide mental health services. The requested number of staff is based on the original U.S. DVA model, which was the original basis for the POC Program. In addition, the request includes four additional administrative staff to augment the existing administrative staff responsible for overseeing the entire POC Program.

Mental Health Services Deliver System Study. Last year, the CDC contracted with a private consultant to prepare a study on the mental health needs of the inmate population for the "intermediate future." Although the department originally indicated that the study would be finalized by late 1991, the department now estimates that the study will be completed by spring 1992.

DEPARTMENT OF CORRECTIONS—Continued

New Program Should Await Results of Study. Since a study on the mental health needs of inmates is already well under way, we believe that any expansion of mental health services should await the study's final results. In addition, staffing for the program is based on the U.S. DVA model — the same model that the CMF POC Program is moving away from to comply with a consent decree. As a result, it is not clear whether this is an appropriate model for the new program.

For these reasons, we withhold recommendation on the additional funding for the implementation of the EOP Care Program, pending receipt and review of the final Mental Health Services Delivery System Study. In addition, at the time the CDC presents the study to the Legislature, it should address whether the U.S. DVA staffing model is appropriate for the new program, in light of the consent decree requiring the department to use a different model for the CMF POC Program.

Additional Information Needed on HIV Center Proposal

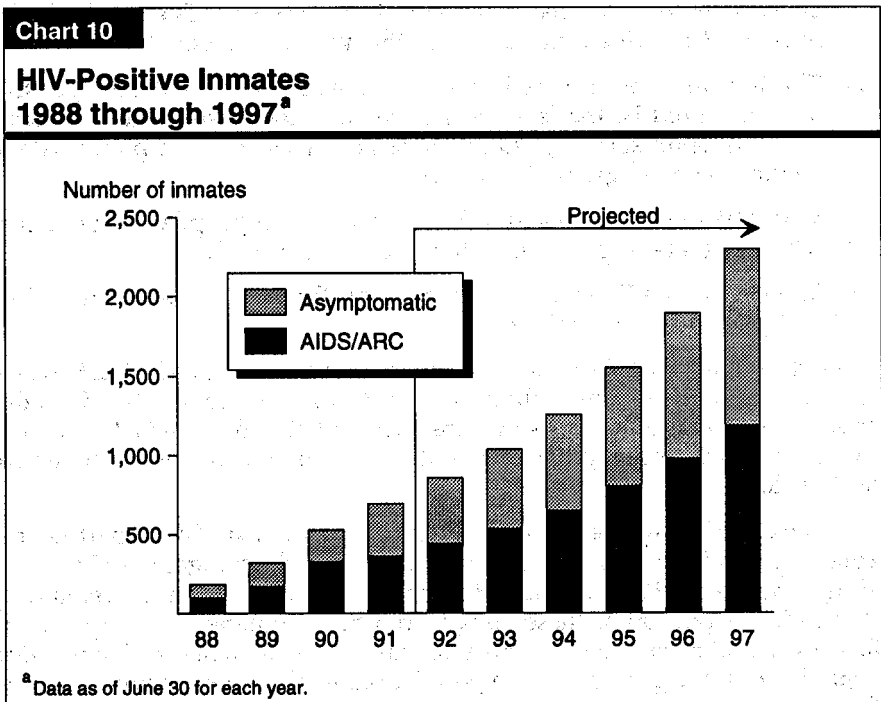
We withhold recommendation on \$1.5 million from the General Fund for the conversion of the Northern Reception Center (NRC) to a Human Immunodeficiency Virus (HIV) Center, pending receipt of specified information prior to budget hearings.

The budget requests \$1.5 million from the General Fund and the redirection of \$6.2 million of existing resources to convert the NRC at Vacaville to a special housing unit for inmates who have tested positive for the HIV. This center would house up to 500 inmates and provide comprehensive medical services in conjunction with the prison hospital at the CMF, as well as counseling and other support services. The NRC currently serves as the reception (or intake) center for new inmates and parole violators committed to the CDC from several northern counties. The department plans to transfer the intake function to new reception centers at prisons in Wasco and Delano.

Background. Acquired Immune Deficiency Syndrome (AIDS) is a disease that impairs the body's normal ability to resist harmful diseases and infections. The disease is caused by HIV. Persons who have tested HIV-positive may display a continuum of symptoms. Someone who has tested positive for the HIV antibody but does not show any signs of illness related to the infection is classified as *asymptomatic*. These individuals may not show any signs of having an illness related to the infection for many years. AIDS-related complex or condition (ARC) is often the term used to describe some of the less severe symptoms associated with HIV infection. This level of the infection generally does not require significant medical treatment, but can exacerbate existing illnesses. AIDS is the third and most severe level of the HIV infection. At this level, an individual's immune system has deteriorated

to the point that numerous opportunistic infections will most likely occur. Inmates who have AIDS generally require significant medical services.

HIV-Positive Population Growing Rapidly. The number of inmates who are HIV-positive has increased rapidly in recent years. Chart 10 shows the actual and projected HIV-positive inmate population from 1987-88 through 1996-97. The department projects that the HIV-positive inmate population will reach 856 inmates by the end of the current year, an increase of 24 percent over 1990-91. Of this total, the department estimates that 417 inmates are asymptomatic and 439 inmates either have AIDS or some AIDS-related illnesses. The department also predicts that the total identified HIV-positive inmate population will grow at an annual average rate of 22 percent over the next five years and reach a total of 2,295 by June 30, 1997.



Department's Housing Policy for Inmates With HIV Has Evolved. The department's initial response to handling inmates who had tested HIV-positive was to segregate them from the general inmate population. All identified HIV-positive inmates were housed together regardless of the stage of their infection or the level of their inmate classification.

DEPARTMENT OF CORRECTIONS—Continued

In January 1990, the department initiated an alternative housing pilot project for HIV-positive inmates. Under the project, HIV-positive inmates who met specific medical and custody criteria were either housed with the general inmate population or in a segregated HIV unit with access to the general population and programs (such as work and education). According to the department, an increasing number of inmates have voluntarily tested for the HIV infection as a result of this pilot project.

Based on the success of the pilot housing project, in April 1991, the department adopted a new comprehensive policy for housing HIV-positive inmates based on the following concepts:

- Some HIV-positive inmates' medical needs and behavior patterns will allow them to be housed in a less restrictive setting. There will also be some HIV-positive inmates where this will not be possible.
- The housing option that is chosen for each individual HIV-positive inmate should be the least restrictive and most cost-efficient possible with the understanding that it must be consistent with public safety, medical, and programming needs.
- Most HIV-positive inmates will eventually need hospitalization, either while they are in prison or when they are released.
- Inmates with AIDS who are terminally ill would benefit from a less costly hospice care facility.

The department's 1991 plan proposes to establish a total of 1,652 beds for HIV-positive inmates throughout the institution system. This includes general population units, units that are open and closed to contact with non-infected inmates, security housing units, units for inmates with dementia, and hospices.

Implementation of the Proposed Plan in Budget Year. The department is proposing to initiate its new housing plan during the budget year by establishing a 500-bed HIV center at CMF (there is no proposal for the remaining 1,152 beds). A portion of these beds would be designated as an open area, allowing inmates to leave the area to participate in work and education programs with the general inmate population, while a portion will be closed off. Some beds would be reserved for inmates who display AIDS dementia and 10 beds would be set aside for hospice care. Comprehensive medical services would be provided in conjunction with the prison hospital at CMF.

According to the department, the overall objective is to establish comprehensive medical, nursing, and psychosocial care within a custody setting for the HIV-positive inmate from the moment of identification of HIV-positive status to death from complications of AIDS, or release from prison.

Concerns Regarding the Conversion of NRC into HIV Center. We believe that the department's proposal has substantial merit and should provide for a variety of levels of care for the growing HIV-positive population. However, we have two concerns regarding the conversion of the NRC to the HIV Center that the department should address.

- **Potential Licensing Requirements.** Chapter 1282, Statutes of 1987 (SB 331, Presley), created Correctional Treatment Centers (CTCs) as a new category of licensed health care facility for use by state and local correctional agencies for inmates not requiring hospital or skilled nursing levels of care. Chapter 1282 requires the DHS, in conjunction with the CDC and other agencies, to develop licensure regulations for CTCs. The regulations are currently in draft form. Until these regulations are finalized, it is not clear whether the HIV Center will have to meet the CTC requirements. The proposed project may require significant additional funds to meet these requirements.
- **Structural Modifications Will Be Needed.** The department originally proposed a \$7.6 million construction project to convert the NRC to the HIV Center. The department, however, has recently revised its construction plan and now estimates that the required modifications would cost \$3.4 million. The department currently plans to make the required modification in 1993-94, after the HIV-positive inmates move into the facility. Although the department believes that the modifications are minor, it would be more efficient to make these modifications in advance of converting the facility to the HIV Center.

Analyst's Recommendation. We withhold recommendation on the department's proposal, pending a report prior to budget hearings, on the following:

- The status of the CTC regulations and the potential licensing requirements for the HIV Center.
- The nature of the structural modifications needed for the facility, a timetable on the completion of the modifications, and the feasibility of completing the modifications before the conversion is complete.
- The department's alternative plan to house the HIV-positive population in the event that the CTC regulations, the structural modifications, or some other factor results in a delay in implementation of the new facility.

DEPARTMENT OF CORRECTIONS—Continued

Redirection of Funds for Infectious Disease Control Unit Should Be Clarified

We withhold recommendation on the permanent redirection of \$1.5 million of contract medical services to fund an Infectious Disease Control Unit (IDCU), pending a report during budget hearings on the feasibility of diverting these contract dollars without substantially affecting the level of medical services provided to the inmate population.

The budget requests the permanent redirection of \$1.5 million from the General Fund that currently support contract medical services (such as specialty physician care) to establish 22 positions for an IDCU. The unit was administratively established in the current year with the redirection of \$855,000 from contract medical services.

The purpose of the unit is to establish and apply standardized measures throughout the prison system to mitigate the transmission of infectious disease among the inmates, staff, and the community. The unit will also be responsible for providing inmates, parolees, and staff with educational material and training on how to prevent the spread of infectious diseases.

Background. The department established the IDCU in response to the growing incidences of infectious diseases in the prison system, including AIDS, tuberculosis, hepatitis, and measles, among others. The department indicates that it can no longer take a reactive stance to public health issues but is now prepared to develop, implement, and enforce infectious disease control measures throughout the prison system.

The IDCU attempts to stem the spread of infectious diseases by developing and implementing programs and policies related to infectious diseases. Under the budget proposal, program staff would also be responsible for monitoring compliance with these policies and procedures by the individual institutions and facilities. The unit would also track all incidence of infectious diseases.

Analyst's Concerns. Our review indicates that the need for the unit and the requested positions are justified. We are concerned, however, about whether it will be possible for the CDC to permanently redirect funds for contract medical services without affecting medical care for inmates. The department's rationale for redirecting these funds was based on the belief that the need to contract out for services will decline as a result of establishing the IDCU. Given the department's current inability to track its medical expenditures, however, it is not clear that this is the case. For this reason, we withhold recommendation on the request, pending a report during budget hearings on whether the department can divert contract medical service funds without adversely affecting medical services provided to the inmate population.

Community Correctional Program

The budget proposes \$350 million for the Community Correctional Program in 1992-93, an increase of \$110 million, or 46 percent, above estimated current-year expenditures. This increase is primarily the result of a \$105 million shift from the Institution Program to the Community Correctional Program in the budget year to consolidate the custodial and support expenditures for community-based facilities under a single program.

Parole Population Increases. The department projects that the parole population will increase during the budget year. Table 5 shows that the parole population is expected to increase by 9 percent, from 83,847 at the end of the current year to 91,416 at the end of the budget year.

Table 5

**Department of Corrections
Parole and Outpatient Population
Supervised in California
June 1991 through June 1993**

	Actual 6/30/91	Estimated 6/30/92	Projected 6/30/93	Percent Increase From 6/30/92
Male felon	63,269	72,908	79,808	9.5%
Male outpatient	2,210	2,495	2,639	5.8
Female felon	6,414	7,531	7,928	5.3
Female outpatient	734	913	1,041	14.0
Totals	72,627	83,847	91,410	9.0%

Parole Population Projection Will Be Updated in May

We withhold recommendation on \$4.9 million from the General Fund requested to fund the parole population growth, pending receipt and analysis of a revised budget proposal and population projections to be included in the May revision.

The budget requests an increase of \$4.9 million from the General Fund and 229 positions to accommodate parole population growth in the parole program. The parole population projections, which form the basis for the Governor's Budget proposal, change significantly between January and the time that the Legislature approves the Budget Bill. This is because the department receives several more months of actual parole population data prior to the May revision. Consequently, we withhold recommendation on

DEPARTMENT OF CORRECTIONS—Continued

\$4.9 million requested to fund parole population growth, pending receipt of the department's revised estimates in May.

New Prevention Program to Assist Parolees Has Merit

We recommend the adoption of supplemental report language requiring the department to report to the Legislature on the implementation of the Preventing Parolee Failure Program.

The budget requests \$8.1 million to fund enhanced services for the Preventing Parolee Failure (PPF) Program. The purpose of the program is to ensure the successful return of parolees to society by providing shelter, substance abuse, educational, and job development programs to parolees, thereby reducing their chances of committing a parole violation which could return them to prison. The department administratively established the PPF Program during the current year with the redirection of \$4.7 million in program savings. The budget proposal assumes an additional redirection of \$3.4 million to fund the 1992-93 services cost of the program.

Background. The department estimates that approximately 20 percent of all its parole revocations were basically for behavior that would not be subject to criminal sanction were the offender *not* a parolee (for instance, substance abuse detected through drug testing or admission, or relatively minor criminality such as disturbing the peace). The department estimates that such revocations fill over 2,000 prison beds a year at a cost of over \$20 million.

PPF Program. In order to ensure the successful completion of parole, the department established in the current year the PPF Program, which is designed to provide enhanced services to parolees such as educational, rehabilitative, substance abuse, and employment placement services, and temporary housing. The program also provides parole agents with alternative options to reincarceration for minor parole violations that do not pose a threat to public safety. Specifically, the PPF Program includes six major services components:

- Five residential multi-service centers in metropolitan areas, which provide room and board for homeless parolees and assist parolees in acquiring necessary services from local, state and federal social services agencies, such as Social Security Administration and the Employment Development Department.
- A nonresidential multi-service center in southern California. This service center would provide comprehensive services, such as substance abuse programs, employment preparation and referrals, health services, mental health and education.

- Nine computerized reading laboratories in major metropolitan parole offices that would assist parolees in increasing their reading proficiency and improving their writing, spelling, and grammar.
- Four pre-release programs would be established in existing work furlough centers that would provide numerous support programs such as literacy training, individual and group counseling, employment preparation training, and vocational/life skills.
- Expansion of the current contract with Job Plus Program to provide an additional 400 job placements a year for parolees.
- Two major substance abuse programs (one in Los Angeles and one in San Diego). The major objective of the programs is to provide up to 300 outpatients a year, in each program, with assessment and reintegration services to ensure the appropriate recovery of the parolee.

At the time that we were preparing this analysis, many of these services had not yet been established. For example, the department was still seeking requests for proposals (RFPs) for residential and nonresidential multi-service centers and negotiating with a vendor for establishing the four community correctional pre-release programs. The department just recently entered into a contract to establish a residential multi-service center in Fresno.

Potential Impact on Inmate Population. The department believes that the PPF Program has already significantly reduced parole revocation rates. It estimates that the PPF Program will reduce the average daily population (ADP) in the institutions by 2,170 beds in the current year and 2,627 beds in the budget year. This reduction would represent a General Fund savings of over \$20 million for each year. Chart 7 shows, however, that the parole revocation rate has been declining since the first quarter of 1989-90, so it is unclear what added impact the program has had to date.

Analyst's Recommendation. We believe that the department's proposal to establish the PPF Program has substantial merit and should have a positive effect on parolees. We believe, however, that the Legislature should monitor the CDC's progress at implementing the new program. Thus, we recommend that the Legislature adopt supplemental report language requiring the department to report to the Legislature on the progress of the project. Specifically, we recommend the following supplement report language:

The Department of Corrections shall report to the Legislature on November 1, 1992 on the Preventing Parolee Failure Program. This report shall include the number of parolees who have received services, the types of services received, and data on recidivism of parolees receiving the services. In addition, the department shall specifically report on success of its substance abuse programs.

DEPARTMENT OF CORRECTIONS—Continued

Substance Abuse Treatment Programs Behind Schedule

We recommend that the CDC and the Department of Alcohol and Drug Programs (DADP) report during budget hearings on the status of implementation of the Bay Area Services Network substance abuse treatment program. We further recommend that both departments report on the status of implementation of a similar program in Los Angeles.

In the 1991 Budget Act, the Legislature appropriated approximately \$5.5 million from the General Fund to establish a new substance abuse program for parolees — the Bay Area Services Network (BASN). The program is designed to provide a continuity of individualized treatment for a parolee as he or she moves from prison to the community and through the various levels of treatment as the parolee's needs change. The objective of the program is to provide substance abuse treatment or recovery services before the parolee becomes readdicted and, eventually, returns to prison.

Our review indicates that implementation of the program is significantly behind schedule in the current year.

Background. In the *Analysis of the 1991-92 Budget Bill*, we concluded that an earlier substance abuse treatment program for parolees — the Substance Abuse Revocation Diversion (SARD) Program — had been ineffective at reducing parolee recidivism. We recommended that the program be eliminated, and that the funding for the SARD Program be redirected to the DADP to provide treatment services for parolees. Following lengthy discussions between the CDC, the DADP, and the Legislature, the administration agreed to eliminate the SARD Program and establish a new treatment program in which the DADP would be heavily involved. As a result, the administration proposed, and the Legislature approved, the BASN Program.

BASN Program. The program provides 180 days of service coordination and community-based substance abuse treatment or recovery services in six Bay Area counties to 1,900 parolees who have recently been released from prison. These services will be provided to inmates from the San Quentin State Prison, the Northern California Women's Facility in Stockton, and various community correctional programs in the Bay Area.

The program has two components: treatment or recovery services and case management. To provide the treatment and recovery services the CDC has entered into an interagency agreement with the DADP for \$4.7 million in 1991-92, and the DADP has, in turn, entered into individual agreements with six Bay Area counties that will operate the service components.

To provide case management, the CDC entered into an agreement for \$779,000 with a private foundation to provide direct services for 1,900 parolees. The contractor is responsible for (1) interviewing inmates at the two prisons to determine their eligibility for receiving BASN services,

(2) ensuring immediate placement into a community-based program, (3) maintaining contact with inmates, and (4) once they have entered community-based programs, ensuring that their treatment program is appropriate, monitoring their progress, and facilitating referrals to other social services, and vocational or educational programs.

Implementation of Program Significantly Behind Schedule. As of January 1992, only 476 inmates had been interviewed for the program and only 175 have actually been placed in a community-based program. This represents less than 10 percent of the total 1,900 slots that were to be filled in the current year.

According to the CDC, implementation of the program has been delayed for a number of reasons. For example, the CDC and the DADP have had difficulty negotiating agreements with the counties. At the time this analysis was prepared, the DADP had only recently entered into an agreement with the last two of the six participating counties.

Similar Program in Los Angeles Also Behind Schedule. A similar smaller program serving 300 parolees in Los Angeles County was also scheduled for implementation in the current year. The CDC advises that this program is also behind schedule.

Analyst's Recommendation. Although the CDC and the DADP assured the Legislature that implementation of the BASN program would be a high priority for the departments, it is significantly behind schedule. In order to ensure that the two departments take necessary corrective action, we recommend that both the CDC and the DADP report to the Legislature during budget hearings on (1) the progress the departments have made in implementing the program, (2) the most recent figures on the number of inmates interviewed for the program and placed in community-based programs, and (3) the preliminary results of the program's effectiveness at reducing revocation rates of program participants. We further recommend that both departments report on progress in implementing a similar program in Los Angeles County.

Administration Program

The budget proposes \$163 million for administration of the CDC in 1992-93. This amount is \$6.9 million, or 4.4 percent, greater than estimated expenditures for the current year. The costs for the Administration Program are distributed between the Institutions and Community Correctional Programs.

DEPARTMENT OF CORRECTIONS—Continued

Inappropriate Use of Bond Funds to Support Program Costs

We recommend deletion of \$373,000 from bond funds proposed for radio communication and health care planning staff because the request represents an inappropriate expenditure of bond funds. (Reduce Item 5240-001-747 by \$373,000).

The budget requests \$373,000 from the 1988 Prison Construction Bond Fund to support six ongoing support positions in the CDC's Offices of Telecommunications and Health Care Services. Specifically, the budget requests \$124,000 to establish two positions in the Office of Telecommunications to oversee the design and installation of radio communication systems at new institutions and for the ongoing maintenance of existing facilities. The budget also requests \$249,000 to permanently establish four positions in its Office of Health Care Services to develop an inmate health care management information system and a strategic health care planning process (these positions were established on a limited-term basis in 1989-90 and will terminate at the end of the current year).

Our review indicates that the positions are justified, but the use of bond funds to support the positions is not. In *The 1991-92 Budget: Perspectives and Issues* (please see page 249), we discussed criteria for determining appropriate uses of state bond proceeds. We concluded that support costs which are not related to the acquisition of assets should *not* be financed from bond funds. As the six proposed positions are unrelated to asset acquisition, we do not believe they should be bond supported.

Accordingly, we recommend that the requested funding be deleted, for a savings of \$373,000 to bond funds. However, because we believe that the requested *positions* are justified, we believe that the administration should resubmit the proposal with a different funding mechanism.

Capital Outlay

The Governor's Budget proposes an appropriation of \$29.9 million in Item 5240 for capital outlay expenditures in the CDC. Please see our analysis of that item in the capital outlay section of this *Analysis*, which is in the back portion of this document.

Board of Corrections Item 5430

Expenditures	
Requested 1992-93	\$205,497,000
Estimated 1991-92	213,519,000
Actual 1990-91	161,287,000
Requested decrease \$8,022,000 (-3.8 percent)	
Fiscal Recommendations	
Total recommended reduction	None
Recommendation pending	\$13,692,000

Findings and Recommendations

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1. **Revenue Likely to Decline.** Withhold recommendation on \$13.7 million for the Standards and Training Program, pending receipt of revised revenue estimates and report evaluating allocation of local assistance funds.

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General Program Statement

The principal activities of the Board of Corrections relate to the operation of local correctional facilities. Specifically, the board (1) monitors and inspects county jail compliance with state standards, (2) awards grants from bond revenues to counties for construction and remodeling of county jails, and (3) establishes standards and awards for training local corrections and probation officers.

Overview of the Budget Request

The budget proposes a reduction in funding for the board due primarily to a reduction in the county jail construction bond program.

The budget proposes expenditures of \$205 million from various state funds for the board in 1992-93. This is about \$8 million, or 3.8 percent, less than estimated current-year expenditures. Of the \$205 million, only \$16.4 million is proposed from the appropriations in the Budget Bill. The remaining \$189 million consists of bond fund revenues that are proposed for expenditure from continuous statutory appropriations.

This board, along with many other departments, has been subject to a variety of reductions over the past several years. Among these is an

BOARD OF CORRECTIONS—Continued

unallocated reduction of 9 percent from the General Fund in 1991-92. This reduction is proposed to be carried over in 1992-93. In our companion document, *The 1992-93 Budget: Perspectives and Issues*, we discuss the impact of these reductions on various departments.

Analysis and Recommendations**Revenues May Be Lower Than Projected**

We withhold recommendation on \$13.7 million requested from the Corrections Training Fund (CTF) for the Standards and Training Program, pending receipt and analysis of (1) the revised budget proposal to be contained in the May revision and (2) a report by the board prior to budget hearings on options for revising the allocation of local assistance funds.

The budget proposes a net increase in expenditures of approximately \$1 million in 1992-93 from the CTF to support the Standards and Training Program for local corrections and probation personnel. The CTF is supported entirely by penalty assessment revenue from the Penalty Fund. Penalty assessments are imposed on persons who violate Penal Code and Vehicle Code provisions. In 1991, the penalty assessment was increased from \$7 to \$10 for every \$10 fine, penalty, or forfeiture imposed. Funds are collected by the courts and transmitted to the State Treasurer for deposit in the Penalty Fund. The CTF is one of eight funds supported by the Penalty Fund, and the CTF receives approximately 7.9 percent of the Penalty Fund revenues.

Penalty Assessment Revenue May Decline. In the current year, estimated penalty assessment revenue to the CTF is projected to be \$10.5 million. This is \$3 million, or 22 percent, less than prior-year revenues. In 1992-93, revenue to the fund is projected to be \$13.8 million, which is an increase of \$3.3 million, or 31 percent, over current-year revenue projections.

We have several concerns regarding the penalty assessment revenue projections in the 1992-93 Governor's Budget (see Item 8100 — Office of Criminal Justice Planning — for additional detail). While the revenues to the Assessment Fund have historically been difficult to project, we believe that there is a considerable downside risk in the revenue projections for the current and budget years.

There are several reasons the revenue may decrease. First, higher assessments combined with a forecast for a continued sluggish economy may result in persons who are required to pay fines instead of "working off" their debt by spending time in county jail. Second, judges may compensate for assessment rate increases by reducing fines, so that the "total bill" (fine plus penalty assessment) for guilty parties remains constant (or does not increase as much as expected). Finally, it appears that the Department of Finance may have made a technical error in their 1992-93 revenue projections

for the Penalty Fund, which could result in the projections of revenue to that fund being overstated by \$23.6 million. Since the CTF receives approximately 7.9 percent of the revenue from the Penalty Fund, its revenue projections could be overstated by \$1.9 million, or 13.5 percent, in 1992-93.

Program Priorities May Need Revising. The board's Standards and Training Program involves the development of training standards for local personnel, and administration of a grant program to fund local agency training programs.

The board's methodology for allocating grant funds treats all applicants equally. The board distributes grant funds to any agency that employs eligible personnel and meets the training standards adopted by the board. Each grantee receives the same amount of funding for each employee requiring training. The per capita grant is determined by the total funding available and the number of grantees. Consequently, as the total available funding or the number of grantees changes, corresponding reductions or increases are made to the grants.

According to the board, the state's share of training costs has declined in the last eight years. This is primarily due to an increase in the number of grantees and an increase in the overall cost of training. In 1984 the state share was approximately 60 percent, and in 1989 it had declined to 40 percent. The board now estimates that in the current year it will pay 36 percent of the local training costs for each grantee. According to the board, one impact from the declining state share is that some local agencies (primarily smaller counties and cities) have dropped out of the program, because they cannot fund their higher share of costs.

Considering that revenues to the Standards and Training Program may be much lower than projected in the budget, which would cause a further decline in the state share of training costs, we believe the board should evaluate the effectiveness of its methodology for allocating grants to local agencies. Our preliminary review indicates it may be a more effective use of the available resources to target the funds. For example, funding could be eliminated for lower-priority activities, such as support of per diem or travel costs associated with training. Or the board could consider increasing funds for those cities or counties with a higher level of need, or less ability to pay for training.

Recommendation. Given the uncertainty surrounding program revenues and the apparent need to reevaluate the board's methodology for distributing grants, we withhold recommendation on \$13.7 million requested from the CTF, pending receipt and review of (1) the revised revenue projections contained in the May revision and (2) a report by the board prior to budget hearings on options for revising its methodology to target the allocation of grant funds. The report should, at a minimum, include an evaluation of the feasibility and impact of the following: (1) targeting funds to high-priority

BOARD OF CORRECTIONS—Continued

activities, (2) increasing the state share of funding for cities and counties with greater needs or less ability to pay, and (3) providing grants to fewer number of grantees.

**Board of Prison Terms
Item 5440**

Expenditures	
Requested 1992-93	\$11,351,000
Estimated 1991-92	11,351,000
Actual 1990-91	12,350,000
Fiscal Recommendations	
Total recommended reduction	\$161,000

Findings and Recommendations

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1. **Staffing Requirements for Parole Revocation Hearings.** 51
Reduce Item 5440-001-001 by \$161,000. Recommend the enactment of urgency legislation to reduce the number of persons required to conduct parole revocation hearings, for a General Fund savings of \$161,000.

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.
- Advises the Governor on applications for clemency.

Overview of the Budget Request

The budget proposes funding for the board at the current-year level, which is not sufficient to meet workload requirements.

The budget proposes an appropriation of approximately \$11.3 million from the General Fund for support of the board in 1992-93, which is the same amount as the estimated current-year expenditures. The current-year budget includes a deficiency request of \$1.2 million from the General Fund. The budget proposes to permanently restore this amount to the board's base budget for 1992-93. This deficiency is discussed in more detail below.

The board, along with many other boards and departments, has been subject to a variety of reductions over the past several years. Among these is an unallocated reduction of approximately 17 percent from the General Fund in 1991-92. This reduction is proposed to be carried over into 1992-93. In our companion document, *The 1992-93 Budget: Perspectives and Issues*, we discuss the impact of these reductions on various departments.

Our review indicates that the proposed funding level will not permit the board to meet its workload requirements in 1992-93. Specifically, we estimate that the board would need at least 17 additional positions to meet its parole revocation workload (its primary function) above the amount requested in the budget. We discuss this workload in more detail below.

Analysis and Recommendations

Reduce Staffing Requirements for Parole Revocation Hearings

We recommend enactment of urgency legislation to reduce the number of persons required to conduct parole revocation hearings. We further recommend a General Fund reduction of \$161,000 to reflect the savings that would result from the enactment of the proposed legislation. (Reduce Item 5440-001-001 by \$161,000.)

In the *Analysis of the 1991-92 Budget Bill*, we recommended, and the administration supported, legislation to reduce the number of persons required to conduct parole revocation hearings. Passage of legislation would have resulted in savings of \$1.2 million and a reduction of 11 deputy commissioner positions in 1991-92. Although the Legislature reduced the board's budget by \$1.2 million in the 1991 Budget Act in anticipation of enactment of the legislation, the legislation failed. The BPT has requested a current-year deficiency of \$1.2 million to replace the positions. The Budget Bill proposes to continue the \$1.2 million in the board's base budget for 1992-93. Our analysis indicates that if the legislation is enacted this year, only a portion of the funding should be restored.

Background. Parole revocation hearings are the primary responsibilities of the board. When a person paroled from state prison is charged with a

BOARD OF PRISON TERMS—Continued

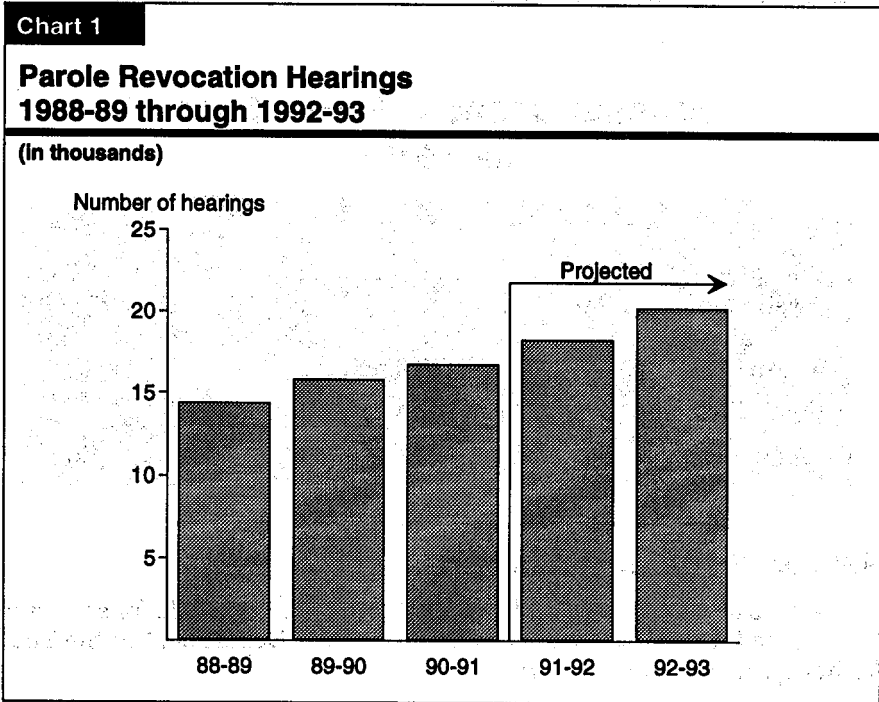
parole violation, the Department of Corrections' (CDC) Paroles Division *may* refer the parolee to the board for a parole revocation hearing. If parole is revoked, the parolee returns to prison for up to 12 months. Under current law, the board is required to have at least two persons conduct revocation hearings. As the result of a court decision, the board must conduct a revocation hearing in southern California within 30 days of a parolee's incarceration for a parole violation (hearings must be conducted within 45 days in northern California).

Revocation Hearings Workload. Although the number of parole revocation hearings has increased steadily over the years, the board has had problems processing the cases it receives. According to the board's data for the first half of 1991-92, the average time to conduct a revocation hearing was 45 days in southern California (or 15 days longer than the court-mandated limit) and 54 days in northern California (or 9 days longer than the limit). The parole revocation hearing workload for 1992-93 is projected to increase by 11 percent, as shown in Chart 1 (although this increase is substantial, it is a smaller increase than in previous years).

Legislation Should Be Enacted to Modify Staffing Requirement. Given the projected increase in future workload demands, we recommend, as we did in the *Analysis of the 1991-92 Budget Bill* that the Legislature enact urgency legislation to reduce the number of persons required to conduct parole revocation hearings for the following reasons:

- No other state agency, including the Office of Administrative Hearings, uses more than one hearing officer for administrative hearings.
- Nearly 75 percent of revocation decisions are made by only one deputy commissioner, in the form of plea bargain, at the initial revocation screening.
- Deputy commissioners have limited discretion in the parole revocation process, since they use sentencing guidelines to determine (1) when a parolee should be returned to prison and (2) the length of the parolee's sentence.

This change would enable the board to simplify its hearing schedule, meet the court mandate to hold a revocation hearing within specified time periods, and more than fully fund its workload requirements. We estimate that such a change would, in fact, save approximately \$161,000 and 1.5 deputy commissioner positions in the budget year.



Analyst's Recommendation. Based on the reasons stated above, we recommend the enactment of urgency legislation to reduce the number of persons required to conduct parole revocation hearings. We recommend a reduction of \$161,000 from the General Fund in anticipation of the enactment of this legislation.

YOUTHFUL OFFENDER PAROLE BOARD

Youthful Offender Parole Board

Item 5450

Expenditures

Requested 1992-93	\$3,368,000
Estimated 1991-92	3,071,000
Actual 1990-91	3,221,000
Requested increase \$297,000 (+9.7 percent)	

Fiscal Recommendations

Total recommended reduction	None
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General Program Statement

The Youthful Offender Parole Board (YOPB) is responsible for setting the parole date for 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.

Overview of the Budget Request

The proposed YOPB budget includes workload and program changes resulting in moderate increases over the current-year funding.

The budget proposes expenditures of \$3.4 million by YOPB in 1992-93. This is \$297,000, or 9.7 percent, more than estimated current-year expenditures. This increase consists of (1) \$118,000 for an additional hearing officer to support the increased workload resulting from the proposed pilot Leadership, Esteem, Ability, Discipline (LEAD) Program in the Department of the Youth Authority, and (2) \$179,000 for parole agents to accommodate a caseload increase.

The current-year estimated expenditures include a \$1 million deficiency request. This amount was deleted from the YOPB's budget by the Legislature during the 1991-92 budget process because of the Legislature's concern over certain YOPB parole policies. The \$1 million is restored to the YOPB's 1992-93 proposed budget.

This board, along with many other departments, has been subject to a variety of reductions over the past several years. Among these is an unallocated reduction of 19 percent from the General Fund in 1991-92. This reduction is proposed to be carried over in 1992-93. In our companion document, *The 1992-93 Budget: Perspectives and Issues*, we discuss the impact of these reductions on various departments.

Department of the Youth Authority

Item 5460

Expenditures

Requested 1992-93	\$370,138,000
Estimated 1991-92	368,244,000
Actual 1990-91	379,185,000
Requested increase \$1,894,000 (+0.5 percent)	

Fiscal Recommendations

Recommendation pending	\$4,159,000
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Findings and Recommendations

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- | | |
|---|----|
| 1. Ward and Parolee Population Projections. We withhold recommendation on \$4.2 million requested from the General Fund to accommodate the projected population increase, pending receipt and analysis of the revised budget proposal contained in the May revision. | 58 |
| 2. LEAD Program. New pilot "military-style" program proposed to reduce recidivism and provide bed savings. | 59 |
| 3. State and Local Realignment Report. Recommend department report prior to budget hearings on recommendations contained in the task force report. | 60 |
| 4. Special Treatment Needs. Recommend department report at hearings on findings and conclusions in its 1992 master plan regarding special treatment programs for wards. | 61 |

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

General Program Statement

The Department of the Youth Authority is responsible for the protection of society from the criminal and delinquent behavior of young people (generally ages 13 to 24). The department operates training and treatment programs that seek to correct and rehabilitate youthful offenders, rather than punish them. This mission is carried out through three programs: Institutions and Camps, Parole Services and Community Corrections, and Administration.

Overview of the Budget Request

The 1992-93 budget for the Youth Authority essentially continues the current-year funding level except for an increase for projected ward population growth.

The budget proposes expenditures of \$370 million for the Youth Authority in 1992-93. This is about \$1.9 million, or 0.5 percent, more than estimated current-year expenditures. Table 1 displays the expenditures and staffing levels for the department from 1990-91 through 1992-93. The major change in the department's budget for 1992-93, as shown in Table 2, is a proposed increase of \$4.2 million from the General Fund for projected ward population growth.

Table 1

**Department of the Youth Authority
Program Summary
1990-91 through 1992-93**

(dollars in thousands)

	Actual 1990-91	Estimated 1991-92	Proposed 1992-93	Percent Change From 1991-92
Expenditures				
Prevention and Community Corrections ^a	\$52,848	—	—	—
Institutions and Camps	286,564	\$303,046	\$305,353	0.8%
Parole Services and Community Corrections	39,557	64,967	64,562	-0.6
Administration				
Undistributed	216	231	223	-3.5
Distributed	(15,307)	(16,288)	(16,217)	-0.4
Totals	\$379,185	\$368,244	\$370,138	0.5%

Continued

	Actual 1990-91	Estimated 1991-92	Proposed 1992-93	Percent Change From 1991-92
<i>General Fund</i>	\$345,271	\$326,996	\$330,148	1.0%
<i>Bond funds</i>	11,864	19,944	19,958	0.1
<i>Other funds</i>	22,050	21,304	20,032	-6.0
Personnel-Years	4,773.5	5,033.1	5,099.8	1.3%

* Prevention and Community Corrections Program merged with other programs in current year.

Table 2

Department of the Youth Authority Proposed 1992-93 Budget Changes

(dollars in thousands)

	General Fund	Bond Funds	Other Funds*	Total
1991-92 Expenditures (rev.)	\$236,996	\$19,944	\$21,304	\$368,244
<i>Cost Adjustments</i>	-\$944	-\$112	-\$10	-\$1,066
<i>Workload Adjustments</i>				
Ward and parole population	\$4,159	—	—	\$4,159
Deficiency adjustment	-368	—	—	-368
Miscellaneous	—	—	-\$1,262	-1,262
Subtotals	(\$3,791)	(—)	(-\$1,262)	(\$2,529)
<i>Program Changes</i>				
Bilingual teaching assistants	\$305	—	—	\$305
Bond-funded positions	—	\$126	—	126
Subtotals	(\$305)	(\$126)	(—)	(\$431)
1992-93 Expenditures (prop.)	\$330,148	\$19,958	\$20,032	\$370,138
Change from 1991-92				
Amount	\$3,152	\$14	-\$1,272	\$1,894
Percent	1.0%	0.1%	-6.0%	0.5%

* Lottery Education Fund, federal funds, and reimbursements.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

This budget, along with many other departments, has been subject to a variety of reductions over the past several years. Among these is an unallocated reduction of 5 percent from the General Fund in 1991-92. (This reduction is 4 percent of the department's total budget from all funds.) This reduction is proposed to be carried over in 1992-93. In our companion piece, *The 1992-93 Budget: Perspectives and Issues*, we discuss the impact of these reductions on various departments.

Analysis and Recommendations**Population Estimates Uncertain**

We withhold recommendation on \$4.2 million requested from the General Fund to accommodate the projected ward and parolee population changes, pending receipt and analysis of the revised budget proposal and population projections to be contained in the May revision.

The budget proposes a net increase of \$4.2 million from the General Fund to accommodate ward and parolee population changes in the budget year. The amount includes an increase of \$4.3 million for increases in the ward population, which is offset in part by a reduction of \$103,000 due to a decrease in projected parolee population. The Youth Authority's 1992-93 ward population management plan is summarized in Table 3.

Table 3 shows that the department anticipates that the ward population will increase by 337 wards in 1992-93. This results in an overcrowding rate of 129 percent, which is approximately 7 percent higher than that projected for the current year.

The department will be submitting a revised budget proposal as part of the May revision that will reflect more current population projections. Consequently, we withhold recommendation on \$4.2 million requested to support ward and parolee population changes, pending receipt and analysis of the revised budget proposal.

Table 3

**Department of the Youth Authority
1992-93 Ward Housing Plan**

	1992-93 Population Management Plan			Overcrowding Status	
	1991-92 End-of-Year Population	Budget Adjustment	1992-93 End-of-Year Population	1992-93 Bed Capacity	Percent of Capacity
<i>Department Facilities (county)</i>					
Northern Reception Center Clinic (Sacramento)	494	1	495	326	151.8%
Southern Reception Center Clinic (Los Angeles)	576	—	576	350	164.6
Fred C. Nelles School (Los Angeles)	794	5	799	650	122.9
O.H. Close School (San Joaquin)	423	—	423	379	111.6
Karl Holton (San Joaquin)	424	—	424	388	109.3
N.A. Chaderjian (San Joaquin)	726	99	825	600	137.5
El Paso de Robles (San Luis Obispo)	780	44	824	650	126.8
Ventura School (Ventura)	810	60	870	676	128.7
Dewitt Nelson Training Center (San Joaquin)	440	—	440	400	110.0
Preston School of Industry (Amador)	819	4	823	720	114.3
Stark Youth Training School (San Bernardino)	1,565	124	1,689	1,200	140.8
Conservation camps (various)	430	—	430	320	134.4
<i>Other Facilities</i>					
Federal Facilities	25	—	25	25	100.0
Totals	8,306	337	8,643	6,684	129.3%

LEAD Program

The department is proposing a military-style pilot alternative program that, if successful, would provide bed savings and reduce the recidivism rate for wards participating in the program.

The department is requesting \$706,000 in 1992-93, funded through redirections, to support the first year of a pilot alternative program, referred to as the LEAD (leadership, esteem, ability, and discipline) Program. The funding is redirected from the Institutions Branch and consists of (1) \$217,000 from the estimated bed savings that will be achieved by the LEAD Program in 1992-93 and (2) a one-time redirection of \$489,000 from a Department of Mental Health contract. This one-time redirection would reduce the number of wards that could be treated and housed at state

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

mental hospitals by five. The department expects the LEAD Program to be fully self-supported by bed savings in 1993-94.

The LEAD Program would place 180 wards in a short-term, military-style "shock incarceration" program (four months), followed by intensive supervision of the wards while on parole (six months). Although the program is expected to result in annual bed savings by reducing by 13 months the average length of stay of those wards placed in the program, the primary goal of the program is to reduce the rate of recidivism. The wards eligible for the program would be primarily property offenders. The department would also restrict the eligibility to first time commitments and parole violators.

This program, which includes a follow-up research component, is similar to a number of programs operated by other states and by the Los Angeles County Sheriff's Department. The budget proposes to establish a similar program in the Department of Corrections. (Please see our analysis of the Department of Corrections — Item 5240 — for additional information.)

State and Local Realignment Task Force Report

We recommend the department report prior to budget hearings on the findings and recommendations contained in the task force report required as part of state and local realignment in 1991.

In 1991, the Legislature and the administration jointly developed and enacted legislation that transferred responsibility for various programs from the state to the counties as part of a "realignment" of state and local programs [Ch 87/91 (AB 758, Bates), Ch 89/91 (AB 1288, Bronzan), Ch 91/91 (AB 948 Bronzan), and Ch 611/91 (AB 1491, Bronzan)]. The realignment legislation (1) transferred programs, primarily health and welfare programs, from the state to counties, (2) changed the state/county cost-sharing ratios for certain programs, and (3) increased the state sales tax and the Vehicle License Fee to support the increased financial obligations of counties.

Juvenile Justice Realignment. As part of the 1991 realignment, \$34 million in General Fund monies budgeted for the County Justice System Subvention Program (CJSSP) was eliminated. The CJSSP supported various local juvenile justice programs. In 1989-90, the program received approximately \$67 million. This funding level was initially reduced in 1990-91 to approximately \$34 million as part of the Governor's efforts to reduce General Fund expenditures.

To evaluate the state and local realignment of juvenile justice programs, one piece of the realignment package, Chapter 611, required the Youth Authority to convene a task force to "identify and recommend methods of achieving better coordination of, and savings in, the continuum of correction-

al, rehabilitative, and preventive services for youthful offenders." The task force was required to report to the Legislature by January 15, 1992, on the following:

- Local community corrective options for delinquency prevention and treatment.
- Innovative, intensive programs for Youth Authority wards.
- Coordination of state and local treatment and services for youthful offenders.
- Restructuring state and local juvenile justice funding to provide incentives for using local treatment and services.
- Appropriate funding of court juvenile justice programs.

At the time this analysis was prepared, the department had not yet released the task force report. Since the report is expected to contain recommendations that would affect the department's proposed budget and program structure, we recommend the department report prior to budget hearings on the findings and recommendations contained in the task force report.

Gaps in Special Treatment Needs for Wards

We recommend the department report at budget hearings on the findings and conclusions in its 1992 master plan regarding special treatment needs.

The department operates several treatment programs for wards which address a variety of illnesses and special conditions (such as physical handicaps). We reviewed the department's 1991 Treatment Needs Assessment report and the current (February 1992) waiting lists for treatment programs to determine what the demands are on the four major treatment programs. The report projected the need for treatment programs in 1995-96 (no estimates were provided for the intervening years). For a more current indication of program needs, the department provided information on the number of wards on the waiting list for each program.

The department's information indicates that in several programs the needs greatly exceed, or will exceed by 1995-96, the available bed capacity. The treatment programs and the current and projected gap between the available beds and beds needed is discussed below.

Intensive Treatment Programs (ITP). Wards placed in an ITP are severely emotionally disturbed, developmentally disabled, suicidal, or have severe physical handicaps. The current ITP bed capacity is 189, and the waiting list for these programs is 28. Although the 1995-96 projection of need contained in the department's report actually indicates an oversupply of ITP beds, it understates the demands for the program, because it does not include all types of wards placed in ITPs.

DEPARTMENT OF THE YOUTH AUTHORITY—Continued

Specialized Counseling Programs (SCP). Wards placed in a SCP have less severe psychological problems than wards in ITPs. The SCPs also house wards who are sex offenders or suicidal. The available current SCP bed capacity is 191. The waiting list for SCPs is currently 14, and the gap in 1995-96 is projected to be as high as 366.

Substance Abuse Programs. The needs assessment report estimated that 60 percent of the male wards and 55 percent of the female wards have substance abuse problems. The available bed capacity for substance abuse programs is 1,610. The waiting list for this program is currently 130 and the gap in 1995-96 is projected to go up to 954.

Sex Offender Programs. The department operates only one sex offender program, which is in southern California. The program has space for 80 offenders. There are, however, 225 offenders currently on the waiting list. The department has not projected the 1995-96 needs for this program.

Conclusion. While it appears, based on the size of the waiting lists, that currently the only significant gap in services for special treatment programs is in the sex offender program, the department's Treatment Needs Assessment report indicates that the gap will widen for all the other programs by 1995-96. The department is not requesting additional funds in the budget year to address the gap in services for any of the special treatment programs. In fact, the department reduced funding for the special treatment programs by \$4.6 million in the current year to meet required unallocated reductions. Since this reduction was made after the department conducted its survey of treatment needs, the gap in services projected in 1995-96 is probably understated.

The department annually prepares a Population Management and Facilities Master Plan that evaluates various alternatives for alleviating overcrowding and addressing special treatment needs. At the time this analysis was prepared, the department had not yet submitted its 1992 master plan to the Legislature. In order for the Legislature to determine if the department is adequately addressing the special treatment needs of the wards, we recommend the department report at budget hearings on the findings and conclusions contained in the master plan regarding special treatment programs.

Capital Outlay

The Governor's Budget proposes an appropriation of \$7 million in Item 5460 capital outlay expenditures in 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.

**Robert Presley Institute of
Corrections Research and Training
Item 5770**

Expenditures	
Requested 1992-93	\$382,000
Estimated 1991-92	382,000
Actual 1990-91	398,000
Fiscal Recommendations	
Total recommended reduction	None

General Program Statement

The Presley Institute 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.

Overview of the Budget Request

The budget proposes funding for the agency at the current-year level without any workload or program changes.

The budget proposes an appropriation of \$382,000 from the General Fund for support of the institute in 1992-93. The proposed 1992-93 budget is the same funding level as estimated current-year expenditures.

The institute, along with many other departments, has been subject to a variety of reductions over the past several years. Among these is an unallocated reduction of 11 percent in 1991-92. This reduction is proposed

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

to be carried over into 1992-93. In our companion document, *The 1992-93 Budget: Perspectives and Issues*, we discuss the impact of these reductions on various departments.
