

August 17, 2006

# Review of Governor's Proposal

---

LEGISLATIVE ANALYST'S OFFICE

Presented To:

Special Session Committee on

Correctional Policy and Fiscal Issues

Mark Leno, Chair





## Overview of Governor's Proposal

*(Dollars in Millions)*

Component of Proposal	Number Of Beds	Security Level	Capital Outlay Costs	Annual Operational Costs (2013-14)
<b>Capacity Expansion</b>				
Housing units at existing facilities	16,238	Mixed	\$2,475	\$682
Two prisons	9,000	IV	1,222	418
Reentry facilities	5,000	Mixed	2,023	249
Male community correctional facilities	4,000	I, II	—	185
Female community rehabilitation beds	4,500	Females	—	294
Foreign nationals transferred out of state	5,000	Mixed	—	192
Subtotals	43,738	—	\$5,720	\$2,020
<b>Other Components</b>				
Academy expansion	—	—	\$55	\$8
Debt-service payments	—	—	—	500
Facilities management staff <sup>a</sup>	—	—	—	—
Infrastructure improvements at existing facilities	—	—	238	—
Subtotals	—	—	\$293	\$508
<b>Totals</b>	<b>43,738</b>	<b>—</b>	<b>\$6,013</b>	<b>\$2,528</b>

<sup>a</sup> Adds \$12 million to \$23 million annually between 2006-07 and 2011-12.

- In total, the Governor's proposal would expand the prison capacity by about 44,000 beds.
- The department estimates total capital outlay costs to be about \$6 billion, including infrastructure improvements at existing facilities, costing the state \$238 million (General Fund) in the current year.
- The department estimates total operational costs for these beds, on-going debt service, and expansion of the correctional officer academy to be about \$2.5 billion annually by 2013-14.



## Governor's Proposal Reduces Bed Shortfalls... But Wrong Mix of Beds

*(As of June 30, 2006)*

Year	Bed Surplus/Deficit			
	Total	Low Security Male (Level I, II)	High Security Male (Level III, IV, RC, SHU)	Female
2007	-18,262	-8,944	-8,490	-828
2008	-10,635	-2,176	-9,676	1,217
2009	-5,450	2,160	-10,196	2,586
2010	-3,079	5,095	-10,227	2,053
2011	-4,886	4,937	-11,619	1,796
2012	4,897	6,422	-3,123	1,598
2013	3,879	5,481	-3,016	1,414
2014	2,130	4,827	-3,984	1,287

- When taking into account the projected inmate population growth, the Governor's proposal would result in a net surplus of about 2,100 beds by June 2014 when the plan will be fully implemented.
- However, this would include a surplus of beds for females (1,300) and low-security males (4,800), but a deficit of beds for high-security males (4,000).
- In the longer term, this deficit in high-security beds would increase, perhaps by about 1,000 beds annually as the high-security inmate population continues to grow. These inmates would continue to be housed in temporary beds.



## Ongoing Operational Costs of Proposal

*(Dollars in Millions)*

Fiscal Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>CDCR Budget</b>								
If no inmate population growth	\$8,217	\$8,648	\$8,968	\$9,263	\$9,553	\$9,852	\$10,156	\$10,471
In the absence of Governor's proposal (includes population growth)	8,217	8,797	9,258	9,666	10,050	10,425	10,842	11,270
Including Governor's proposal	8,476	8,911	9,606	10,222	10,747	11,318	11,973	12,479

- We estimate that the department's budget would reach \$12.5 billion by 2013-14 under the Governor's proposal. This is about \$1.2 billion more than what would happen in the absence of the proposal.
  
- The higher department budget under the Governor's proposal is primarily a result of the additional costs for debt service, administrative and support costs required when activating new facilities, and increased rehabilitation programs at some new proposed facilities.
  
- These figures are estimates and subject to change based on a number of factors, including actual population totals, inmate health care costs, employee compensation, contract costs, and changes to sentencing statute.



## Issues for Legislative Consideration

---

- ☑ The Governor's proposal has merit in that it attempts to address population pressures connected with the over reliance on temporary beds as well as projected inmate population growth in the future. Despite this, there are several issues the Legislature will want to consider when reviewing this proposal.
  - **Limited Detail Regarding Siting and Staffing.** The department is currently experiencing significant staffing shortages in many prisons and in many areas of operations—security, health care, education, and administration. The siting of the new prisons and reentry facilities, as well as build-outs at existing prisons, will impact institutions' future ability to hire staff and provide security and inmate services. The department has not yet identified the sites for the new prisons and has not provided justification for siting expanded housing units at the specific prisons proposed, nor has CDCR provided a plan detailing how it intends to fill existing vacancies and the new positions created by the proposal.
  - **Ambitious Implementation Timeline.** The schedule for constructing new beds is aggressive considering the scale of the proposal and difficulty of siting facilities. The administration has not provided the Legislature with a construction schedule or workload justification for the proposed facility management staff.
  - **Broad Design-Build Authority.** The Governor's proposed language would give CDCR broad authority to decide when to use design-build for projects. The state has very limited experience with design-build, and CDCR has no experience with design-build.
  - **Lacks Population Reduction Alternatives.** The administration does not propose alternative strategies that could reduce the prison population. In many cases, population reduction strategies would relieve overcrowding and reduce state costs while minimizing the risk to public safety if properly implemented by the department.