

Accommodating the State's Inmate Population Growth

SUMMARY

Based on available information, the state's five-year capital outlay needs total in the tens of billions of dollars. It is essential that the state develop a comprehensive plan to address these statewide needs in a timely and cost-effective manner. A critical element of the state's capital needs is the state's prison system. This policy brief addresses issues concerning the development of facilities for the prison system.

Based on the Department of Corrections (CDC) inmate population projections, by mid-1998, all available inmate housing spaces will be occupied. If a new prison is authorized in January 1996, it would not be available for occupancy before late 1998, at which time the projected number of inmates would exceed prison capacity by about 9,000.

In light of these projections, it is important for the Legislature to develop a strategy for accommodating the growth. With regard to prison facilities, the Legislature must first authorize projects so that planning and design work can proceed. Once this phase is completed, funds can be appropriated to construct facilities.

In order to address the growing inmate population, we recommend that the Legislature take the following steps:

- In January 1996 authorize two prisons and appropriate funds (\$13 million) to develop preliminary plans for these prisons.*
- Adopt a long-term strategy for accommodating inmate population based on any legislative actions to reduce inmate population growth and other cost reductions.*
- Authorize a general obligation bond measure for the November 1996 ballot to finance the necessary prisons based on the Legislature's long-term strategy.*

“ . . . the state-wide inmate population will exceed 300,000 by mid-2005. . . . a 126 percent increase . . . over a ten-year period.”

BACKGROUND

Inmate Population

In December 1995, the statewide prison population was 135,000. The CDC's fall 1995 projection indicates that the statewide inmate population will exceed 300,000 by mid-2005. This represents a 126 percent increase in the inmate population over a ten-year period. The state's prison system falls far short of having space to accommodate this growth.

Prison Capacity

The CDC has indicated that over the long-term, the state's prisons can be safely managed with about 90 percent of the general inmate population housed two per cell and with most dormitories double-bunked. For operational and safety

reasons, the CDC plans to double-cell only about 40 percent of the cells in specialized housing areas such as administrative segregation, security housing, and psychiatric treatment.

In order to accommodate the growing inmate populations, the CDC must continue to house inmates in "nonpermanent housing" such as gymnasiums, dayrooms, and other areas that are not designed for long-term inmate housing. When the permanent and nonpermanent housing areas are considered, the prison system will be able to accommodate 177,000 inmates. Figure 1 summarizes the state's prison capacity and inmate population in December 1995 and in mid-1998. It shows that by mid-1998 all available spaces for housing inmates in the state's prison system will be filled to capacity. The CDC, however, is assessing

Figure 1

Prison Capacity and Inmate Population

Date	Prison System Capacity			Total Maximum Capacity	Inmate Population
	Housing Overcrowding Capacity ^a	Nonpermanent Housing ^b	Community Correctional Facilities		
December 1995	116,500	19,500	6,000	142,000	135,000
Mid-1998	137,500	30,500	9,000	177,000	177,000 ^c
March 2000 (with six additional prisons ^d)	165,000	35,500	9,000	209,500	209,500 ^c

^a For general population, 90 percent of cells house two inmates and bunk beds are used in dormitories.
^b Includes beds in gymnasiums, dayrooms, and additional overcrowding in specialized housing areas.
^c Based on the CDC spring 1995 projections.
^d As proposed by the CDC.

the potential to convert other space in order to accommodate more than 177,000 inmates.

Needs for New Prisons

Based on current law and practice, the state will need to embark on a massive expansion of the prison system in order to house inmates that are incarcerated after mid-1998. Planning for the first of these new prisons will need to begin in early 1996, and the state would need to construct at least 24 prisons over the next several years in order to house the inmate population of 306,000 projected for mid-2005. (This assumes that each prison could accommodate a maximum of 5,300 inmates, including the use of nonpermanent housing areas.) The construction cost for these 24 prisons will total about \$7 billion. Upon completion of these 24 prisons, the state's prison system would still be operating at a high degree of overcrowding, with tens of thousands of inmates in nonpermanent housing areas.

CDC Construction Plans

The CDC's facilities plan for new prisons (August 1995) calls for (1) the construction of six prisons, at a cost of about \$1.7 billion, and (2) site studies and environmental reviews for nine additional prisons, at a cost of \$32 million. As shown in Figure 1, construction of six prisons would bring the maximum capacity (including nonpermanent

housing) to 209,500. The prison population is projected to reach this level by March 2000.

New Prisons Cannot Be Occupied Before Late 1998. According to the CDC, it generally takes about 40 months to complete environmental and planning documents and construct a prison after it is authorized by the Legislature. In the case of three prisons proposed by the CDC (California City and Delano in Kern County and adjacent to the Richard J. Donovan Correctional Facility in San Diego County), the environmental impact reports have been completed. Thus, these three prisons could be completed in about 34 months. Based on this schedule, if these new prisons are authorized in early 1996, they could be completed around the end of 1998. By that time, the inmate population will exceed the prison system's maximum capacity by about 9,000 inmates. Consequently, given the current status of planning for new prisons, the state will be faced with accommodating about 9,000 inmates through at least most of 1998 in a manner other than construction of new prisons.

ISSUES FACING THE LEGISLATURE

Clearly, the state's current prison facilities cannot accommodate the projected increase in inmate population. Thus, the Legislature is faced

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with two issues. First, in the near-term, the Legislature needs to address the shortfall of prison space through 1998. Second, the Legislature needs to assess the impact of the projected growth rate of the state's inmate population on the overall state budget and legislative priorities. Accommodating the anticipated growth would result in multibillion dollar costs for construction and hundreds of millions of dollars for annual operating costs of these new prisons.

The Legislature should address these issues prior to the end of the 1995-96 session by adopting strategies to accommodate this growth—through the financing of additional prison construction and consideration of policies to reduce costs in the prison system. The following sections discuss issues related to financing new prisons and cost reduction strategies for the prison system.

Financing New Prisons

Financing Alternatives. Historically, prisons have been financed by state funds using either general obligation bonds or lease-payment bonds. Under the federal “crime bill,” Congress authorized \$7.72 billion over the next five years for state grants to fund construction of correctional facilities. The actual amounts available, however, will depend on annual appropriations by the Congress. At the time this

analysis was written, the funding level for the current federal fiscal year had not been determined.

In addition to the federal funds, the state will probably continue to rely on either general obligation bonds or lease-payment bonds to fund prison construction. General obligation bonds require voter approval. Lease-payment bonds can be authorized at any time with a majority vote of the Legislature (for nonurgency legislation) and approval by the Governor. For several reasons, however, lease-payment bonds are more costly than general obligation bonds. As discussed in our recent publication, *Uses and Costs of Lease-Payment Bonds*, we estimate that total General Fund debt service costs for lease-payment bonds is about 15 to 20 percent higher than for general obligation bonds. Adjusted for inflation, this difference is about 7 to 10 percent. We recommend that the state use general obligation bonds to finance new prisons.

Financing Prisons Versus Other Capital Outlay Needs. In addition to new prisons, the state has tens of billions of dollars in other capital outlay needs. In recent years, bonds have been the primary funding source for capital outlay (with the exception of transportation programs). There are, however, very limited existing general obligation bonds remaining to fund new projects of any type. The state also has a relatively high debt burden. With

regard to financing additional prisons, the Legislature needs to decide how much of the state's allocation of new debt is appropriate for this activity versus addressing the state's other significant capital outlay needs. We continue to urge the Legislature to assess *all* of the state's capital outlay needs and develop a multiyear statewide capital outlay plan that addresses the Legislature's highest priorities.

Cost Reduction Strategies

Given the significant cost and difficulty of building and operating 24 new prisons within ten years, the Legislature should consider steps to reduce the rate of growth of the inmate population in state prisons.

How Can Increases in Prison Population Be Slowed? As noted earlier, the inmate population is projected to increase significantly. There are, however, options that—if adopted—would slow the rate of increase in this population. For example, the state could adopt policies that divert nonviolent, nonserious, and/or short-term offenders from state prisons to other less costly forms of punishment. In our report, *The 1995-96 Budget Bill: Perspectives and Issues*, we outlined several options that could eventually divert tens of thousands of offenders from the state prison system, thereby reducing the need for the construction and operation of additional prisons. Reducing the prison popula-

tion is not without risks to public safety. Consequently, the Legislature and Governor would want to select options which minimize these risks. Among these options are:

- Placing short-term offenders directly on parole instead of prison.
- Eliminating state prison sentences for specified nonviolent offenses, such as petty theft with a prior theft or drug possession.
- Providing greater reductions in sentences for inmates who work in conservation camps or who are housed in reception centers.
- Redirecting some nonviolent and nonserious prison-bound felons to home detention with electronic monitoring of their movements.

In addition to the above options, there are several legislative proposals which would allow many relatively low-level offenders now sent to state prison to remain in county custody. For example, SB 760 (Lockyer) would dedicate a share of sales tax revenues to counties that voluntarily chose to take custody of such offenders, either by placing them in jail or by operating alternative punishment programs, such as drug treatment and electronic monitoring. Another bill, AB 126 (Rainey) would likewise transfer less serious offenders from

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state prisons to county jails through a contracting process.

In addition to the cost savings of diverting these offenders to the counties, we believe there are substantial long-term benefits to such realignments as we outlined in our report, *Making Government Make Sense*. First, such actions prioritize scarce and expensive prison space for the most serious offenders—those with long terms convicted of violent crimes. Second, it would give counties a greater incentive to prevent crime and rehabilitate criminal offenders early in their lives before they commit more serious offenses that result in high costs to government and society. Finally, the Legislature may wish to escalate the ongoing efforts to both lease county jail facilities and contract with private correctional facilities in order to accommodate a portion of the projected surge in inmate population.

ANALYST'S RECOMMENDATIONS

As discussed above, new prisons authorized early in 1996, would not be completed until late 1998 and by that time the inmate population will exceed the housing capacity of the state's prison system by 9,000. Consequently, the state will have to adopt strategies (for example, adding emergency housing at existing prisons) to meet this housing gap through 1998.

Furthermore, we believe that the Legislature needs to take action in January 1996 to authorize the planning effort for new prisons in order to accommodate the population after 1998. Based on our review of the inmate population projections and the time frames necessary for developing new prisons, we believe that planning for two new prisons should begin immediately. Because it takes about one year to complete design documents before construction can begin, the Legislature does not have to provide construction funds for any new prisons until later in 1996. Thus, the majority of costs for new prisons could be financed with a general obligation bond measure on the November 1996 ballot and with federal funds.

In general, the Legislature should make decisions on funding levels for new prisons that complement any policies adopted to reduce the growth in inmate population. We recommend that the Legislature take the following specific actions, which are based on the CDC's most recent inmate population projections and the time required to design and build new prisons:

In January

- Authorize two new prisons and appropriate \$13 million to prepare preliminary plans for these prisons so that construction can be completed at the earliest date. (The CDC esti-

mates that it will take at least six months for the preliminary plans.)

- Direct the CDC to provide a plan, for legislative consideration during the budget process, for addressing the 9,000-inmate housing gap that will occur by late 1998.

In the 1996-97 State Budget

- Authorize a third new prison and appropriate \$22 million to prepare working drawings for the two authorized prisons (\$15 million) and prepare preliminary plans for the third prison (\$7 million). Funding for these activities could be from the General Fund or from federal grants under the federal crime bill. (The CDC estimates that it will take at least seven months for the working drawings for the first two prisons.)
- Depending on a proposal from the CDC, appropriate funds for housing to accommodate the 9,000-inmate gap that will occur by late 1998.
- Appropriate general obligation bond funds for planning and/or construction for the number of prisons that may be needed in the near-term based on any cost reduction strategies the Legislature may adopt.

Prior to End of the Current Legislative Session

- Examine the long-term budgetary implications of accommodating inmate population growth, particularly the potential impacts on the state's ability to support other General Fund programs.
- Examine the potential for leasing additional county jail facilities and contracting with private correctional facilities.
- Consider the various policy alternatives that would divert certain inmates from state prison to other forms of punishment. This would entail weighing the potential cost savings (for both capital outlay and operations) and public safety implications of these alternatives.
- Examine the state's ability to finance new prison construction in the context of other statewide capital outlay needs and legislative priorities.
- Place on the November 1996 ballot a general obligation bond measure at a funding level sufficient to address new prison funding needs and based on the Legislature's actions on the above issues.

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