

SUBCOMMITTEE NO. 5

Agenda

Senator Loni Hancock, Chair
Senator Joel Anderson
Senator Jim Beall



Thursday, April 16, 2015
9:30 a.m. or Upon Adjournment of Session
State Capitol - Room 113

Consultant: Julie Salley-Gray

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PROPOSED FOR VOTE ONLY**California Correctional Healthcare Services**

1. **Clinician Recruitment and Retention (Issue heard on March 12th).** The Governor's budget proposes \$872,000 from the General Fund, and eight positions, to build an internal recruitment and retention program designed to recruit and retain clinicians and other medical personnel.

Action: Approved as budgeted. Vote: 3-0

ITEMS TO BE HEARD

5225 Department of Corrections and Rehabilitation

Effective July 1, 2005, the California Department of Corrections and Rehabilitation (CDCR) was created, pursuant to the Governor's Reorganization Plan No. 1 of 2005 and SB 737 (Romero), Chapter 10, Statutes of 2005. All departments that previously reported to the Youth and Adult Correctional Agency (YACA) were consolidated into CDCR and include the California Department of Corrections, Youth Authority (now the Division of Juvenile Justice), Board of Corrections (now the Board of State and Community Corrections (BSCC)), Board of Prison Terms, and the Commission on Correctional Peace Officers' Standards and Training (CPOST).

The mission of CDCR is to enhance public safety through safe and secure incarceration of offenders, effective parole supervision, and rehabilitative strategies to successfully reintegrate offenders into local communities.

The CDCR is organized into the following programs:

- Corrections and Rehabilitation Administration
- Juvenile: Operations and Offender Programs, Academic and Vocational Education, Health Care Services
- Adult Corrections and Rehabilitation Operations: Security, Inmate Support, Contracted Facilities, Institution Administration
- Parole Operations: Adult Supervision, Adult Community-Based Programs, Administration
- Board of Parole Hearings: Adult Hearings, Administration
- Adult: Education, Vocational, and Offender Programs, Education, Substance Abuse Programs, Inmate Activities, Administration
- Adult Health Care Services

The 2014 budget act projected an adult inmate average daily population of 136,530 in the current year. The current year adult inmate population is now projected to decrease by 633 inmates, a 0.5 percent decrease, for a total population of 135,897. The budget year adult inmate population is projected to be 137,002, a 0.8 percent increase of 1,105 inmates over the current year. The current projections also reflect an increase in the parolee population of 1,360 in the current year, compared to budget act projections, for a total average daily population of 43,226. The parolee population is projected to be 40,467 in 2015-16, a decrease of 2,759 over the current year. These projections do not

include the impact of the passage of Proposition 47, which reduced various felonies to misdemeanors.

As of February 18, 2015, the total in-custody adult population was 131,469. The institution population was 116,556, which constitutes 136.3 percent of prison capacity. The most overcrowded prison is the Central California Women's Facility in Chowchilla, which is currently at 167.3 percent of its capacity. For male inmates, Mule Creek State Prison is currently the most overcrowded at 165.9 percent of its capacity.

The Governor's budget proposes total funding of \$10.2 billion (\$9.9 billion General Fund and \$300 million other funds) in 2015-16. This is an increase of approximately \$1 billion (\$833 million General Fund) over 2013-14 expenditures. The following table shows CDCR's total operational expenditures and positions for 2013-14 through 2015-16.

(dollars in thousands)

| Funding | 2013-14 | 2014-15 | 2015-16 |
|--------------------------------|--------------------|---------------------|----------------------|
| General Fund | \$9,156,505 | \$9,827,940 | \$9,989,790 |
| General Fund, Prop 98 | 16,530 | 18,385 | 18,635 |
| Other Funds | 56,080 | 67,250 | 62,329 |
| Reimbursements | 167,644 | 185,074 | 185,064 |
| Recidivism Reduction Fund | -103,199 | 25,968 | 28,227 |
| SCC Performance Incentive Fund | -1,000 | -1,000 | -1,000 |
| Total | \$9,292,560 | \$10,123,617 | \$10,283,0451 |
| Positions | 52,260 | 60,812 | 61,579 |

Issue 1: Recidivism Reduction Fund Update

Governor's Budget. The Recidivism Reduction Fund (RRF), established by AB 105 (Steinberg and Huff), Chapter 310, Statutes of 2013, results from savings associated with an extension from the federal court allowing the state, until February 2016, to reduce its prison population to 137.5 percent of capacity. The Governor's budget assumes that \$16 million of the \$42 million provided to CDCR in the Budget Act of 2014 will be unspent due to delayed implementation of various recidivism reduction efforts. In addition, it assumes an additional \$12.2 million in revenue above the original projections. The budget reflects total revenue of \$28.2 million General Fund in the Recidivism Reduction Fund. The budget proposes using the funds toward recidivism reduction efforts, as follows:

- \$12.6 million for community reentry facilities.
- \$15.6 million to offset the General Fund cost of expanding substance use treatment at non-reentry hub institutions.

Background. The 2014 budget act authorized \$91 million RRF and \$4.2 million Inmate Welfare Fund (IWF) for to reduce recidivism and improve rehabilitation programming. As noted above, \$42 million in RRF and the \$4.2 million IWF was provided to CDCR:

- Community reentry programs targeting mentally ill offenders who are within six to twelve months of release - \$20 million.
- California Leadership Academy strategic planning - \$865,000.
- Expansion of substance abuse treatment programs and peer counseling certification training - \$11.8 million.
- Cognitive behavioral treatment at in-state contracted facilities - \$3.8 million.
- Evaluation of the Integrated Services for Mentally Ill Parolees program - \$500,000.
- Intensive case management for high risk parolees - \$2.5 million.
- Expansion of the Cal-ID project which ensures that adults leaving prison have proper identification - \$2.2 million.
- Innovative programming grants for underserved prisons - \$2.5 million.
- Increased funding for community college courses in prison - \$2 million.

As of January, CDCR anticipated spending the following in 2014-15:

(amounts in millions)

| Program | Budgeted for 2014-15 | Projected Expenditures 2014-15 |
|-------------------------------------|---------------------------------|---|
| California Leadership Academy | 0.865 | 0.865 |
| Community Reentry | 20 | 7.4 |
| Substance Abuse Treatment | 11.836 | 11.2 |
| Cognitive Behavioral Treatment | 3.794 | 2.2 |
| Evaluation of ISMIP | 0.5 | 0.5 |
| Case Managers at Outpatient Clinics | 2.487 | 1.3 |
| Cal-ID Expansion | 2.175 | 1.3 |
| Innovative Programing Grants | 2.5 | 2.5 |
| Community College Grants | 2 | 2 |
| Total | 46.157 | 29.265 |

Legislative Analyst's Office (LAO). The LAO did not raise any concerns with this proposal in their analysis of the Governor's budget.

Questions for the Administration. The Administration should be prepared to address the following questions:

1. Please provide an update on all of the CDCR-related recidivism reduction efforts funded through last year's budget.
2. How many community reentry beds will be created with the \$7.4 million? How much of that funding is for contracts and how much will be spent within CDCR?
3. Have you made the final determinations for the innovative programing grants? If so, please provide a list of programs, institutions, and award amounts to the committee.
4. How many new substance abuse treatment slots have been made available and are they consistently filled?
5. Do you maintain a waiting list for inmates who need substance abuse treatment but are unable to access it?
6. How many peer counselors have been trained through the expanded substance abuse treatment programs?

Action: Rejected the proposal to use \$15.6 million in RRF funding to offset the ongoing General Fund costs associated with expanding substance abuse treatment to all 35 state prisons.

Held open the remainder of the RRF proposal pending an updated fund condition statement provided during the May Revision.

Vote: 3 – 0

Issue 2: Drug Interdiction and Treatment

Governor's Budget. As noted above, the proposed budget requests \$15.6 million in Recidivism Reduction Fund (RRF) money to offset the General Fund cost of expanding substance use treatment at non-reentry hub institutions.

Background. Data provided by CDCR indicate that drug use is prevalent in prison. For example, in June 2013, 23 percent of randomly selected inmates tested positive for drug use. In addition, another 30 percent refused to submit to testing, which suggests that the actual percentage of inmates using drugs is likely considerable.

Drug use in prison is problematic for several reasons. For example, according to the department, the prison drug trade strengthens prison gangs and leads to disputes among inmates that can escalate into violence. Such violence often leads to security lock-downs which interfere with rehabilitation by restricting inmate access to programming. In addition, the presence of drugs in prison allows inmates to continue using them, thereby reducing the effectiveness of drug treatment programs.

In recent years, the department has supplemented its base funding of \$3 million for drug and contraband (such as cell phones) interdiction with one-time funds from asset forfeitures. According to CDCR, its current interdiction efforts have been hampered by a lack of sufficient permanent funding.

2014 Budget. The 2014 budget act provided \$5.2 million General Fund for increased contraband and drug interdiction efforts. In addition, the Legislature adopted trailer bill language requiring that any drug and contraband interdiction efforts on the part of CDCR be applied to all individuals in a facility including inmates, department staff, volunteers, and contract employees and that CDCR establish methods to ensure that the searches shall be done randomly and without advance notice.

In addition, the budget act provided \$11.8 million from the Recidivism Reduction Fund and 44 positions to contract with substance abuse treatment providers and administer the program at 10 institutions that do not have a reentry hub. In 2015-16, CDCR requests a total of 91 positions and \$23.9 million General Fund to further expand substance abuse treatment programs to the 11 remaining institutions that do not house reentry hubs.

Finally, the 2014 budget included trailer bill language outlining the requirements and parameters for the enhanced drug interdiction efforts. For example, the language requires that the drug interdiction efforts be applied to all individuals, including staff and vendors, and that the searches be random and unpredictable and that CDCR use methods to ensure that profiling is not practiced. In addition, the language requires that all individuals who have a positive alert be informed of their options, including, but not limited to, unclothed body searches.

The CDCR Secretary has expressed his wish to not use unclothed body searches on visitors or others who have a positive alert. However, the inclusion of the language in statute requires that those with a positive alert be presented this as an option.

On October 17, 2014, CDCR introduced the following narrative as a part of a regulation change package:

The California Department of Corrections and Rehabilitation (CDCR) proposes to amend Section 3173.2, Searches and Inspections, and adopt Section 3410.1, Searches of Employees, of the California Code of Regulations (CCR), Title 15, Division 3, by implementing the use of Electronic Drug Detection Equipment (EDDE) and other available technology to search all persons who come onto institutional grounds.

Persons entering and exiting CDCR institutions sometimes employ extraordinary means to try and smuggle drugs and contraband into and out of prisons. These methods include secreting drugs and contraband in hidden pockets in clothing or in body cavities.

An ION Mobility Spectrometry (ION Scanner) unit is a trace detecting device that measures the deflection of particles after they are exposed to an electric field. Samples are collected by wiping an object and then placing the swipe into the unit. The results of the swipe are displayed within six seconds. ION Scanners can be employed as a non-intrusive search tool for inmates, staff, and visitors, as well as for incoming mail and parcels.

Recognizing the ongoing problem with drug use and trafficking within the institutions, CDCR must focus on undertaking a comprehensive approach to prevent the introduction of drugs and contraband into the institutions. Importing, trafficking, and drug use causes many problems in a prison setting including an increase in assaults, power struggles within the inmate population, establishment of an underground economy, and staff corruption.

There were over 4000 documented incidents recorded in 2013 related to drugs in California prisons. Of these 4000 drug related incidents in CDCR prisons, there were 382 arrests of non-inmates attempting to introduce drugs into an institution. Of the 382 arrests there were 10 staff, 320 visitor, and 52 non-visitor arrests. Tragically, from January 2012 to February 2014 there were a reported 29 inmate deaths attributed to illegal drug overdose.

In June 2013 the CDCR conducted blind baseline urine testing of 25 percent of the inmate population. The results confirmed that nearly 23 percent of the inmates who voluntarily participated tested positive for one or more illicit drugs. Approximately 30 percent of inmates randomly selected to voluntarily test declined to do so even though there were no disciplinary actions taken against inmates testing positive.

Based on the 2013 drug related incidents and test results, the Department must do more to reduce the availability of and use of drugs in the prison system. Therefore, the

Department seeks to implement various drug interdiction strategies, which includes the use of ION Scanners and other available technology.

ION Scanners coupled with other drug and contraband interdiction strategies, such as increased sanctions will act as a deterrent to the use of illicit drugs.

Questions for the Department. The Administration should be prepared to present the findings from the report and address the following question:

1. Please provide a brief history on the department's drug interdiction funding, including the current total funding amount used for drug interdiction efforts.
2. Of the 23 percent of inmates who tested positive in your 2013 study, how many of them tested positive because of legitimate prescription medications?
3. Have you developed an effective process for ensuring that inmates who test positive due to prescription medications are not punished for having drugs in their systems?
4. Please provide updated data on the number of individuals, including inmates, with positive scans, whether or not contraband was retrieved from them, and the number of inmates with positive scans or tests who have subsequently started receiving treatment.
5. The Secretary committed to removing unclothed body searches as an option for visitors who have a positive scan and indicated in our earlier hearing that he was open to an independent evaluation of the enhanced interdiction efforts. What progress has the department made in those two areas?

Action: Oversight item. No action necessary.

Issue 3: Youth Offender Security Placement (AB 1276)

Governor's Budget. The proposed budget requests \$1.181 million General Fund, of which \$93,000 is onetime, and eight positions to implement the requirements of AB 1276 (Bloom), Chapter 590, Statutes of 2014.

Background. AB 1276 required CDCR to conduct a youth offender Institutional Classification Committee (ICC) review at reception to provide special classification consideration for every youth offender. Among other provisions, the bill stated that the purpose of the legislation was to establish a mechanism by which CDCR would make individual assessments of persons under 22 years of age who are entering prison, and classify these individuals at lower custody level facilities whenever possible. In addition, the bill required that a youth offender who is denied a lower security level and is placed in the highest security is eligible to have his or her placement reconsidered at his or her annual review until age 25.

Legislative Analyst's Office (LAO). The LAO did not raise any concerns with this proposal in their analysis of the Governor's budget.

Questions for the Administration. The Administration should be prepared to address the following question:

1. Please provide an update on the classification of youthful offenders, including the number of inmates who have been through the classification process, whether or not there is a backlog, and the anticipated on-going annual caseload.

Action: Approved as budgeted. Vote: 2-1 (Anderson "no")

Issue 4: Parole Calculation Correction

Governor's Budget. The proposed budget requests \$14.6 million General Fund and 92.6 positions in 2015-16 and on-going to correct a caseload calculation error that led to the elimination of previously approved positions related to the conversion of certain specialists to supervisory positions and a corresponding caseload reduction.

Background. This proposal corrects an error in the calculation of parole agents needed to supervise the parole population. The additional agents will provide the department with the correct number of authorized parole agents to supervise parolees at the levels authorized by the Legislature.

Legislative Analyst's Office (LAO). The LAO did not raise any concerns with this proposal in their analysis of the Governor's budget.

Action: Approved as budgeted. Vote: 3-0

Issue 5: Increase in Religious Diets

Governor's Budget. The proposed budget requests \$1.943 million General Fund to address the increase in the number of religious diet requests since 2012-13.

Background. State and federal law requires CDCR to accommodate inmates that require a special diet due to their religion. Therefore, CDCR provides both regular meals and religious meals to adult inmates. There are three distinct options for religious meals: vegetarian, Kosher, and Halal (religious meat alternative). In order to participate, an inmate must be approved by the appropriate prison chaplain.

According to the Administration, from 2012-13 to 2013-14, participation in the religious diet program increased by 47 percent, from 6,972 participants to 13,180 participants. However, the budget for religious meals has not increased.

Legislative Analyst's Office (LAO). The LAO did not raise any concerns with this proposal in their analysis of the Governor's budget.

Questions for the Administration. The Administration should be prepared to address the following questions:

1. Please describe how the overall inmate food budget is developed and provide information on the regular per meal cost and the religious meal cost. Is the food budget adjusted regularly to reflect the changing cost of food?
2. Given the significant decrease in the prison population over the last few years, why isn't the existing food budget sufficient to cover the cost of more religious meals, since the institutions are providing less meals overall?
3. Do you anticipate that this will be an on-going cost or will the cost be reduced in future years to reflect declines in the prison population?

Action: Approved as budgeted. Vote: 3-0

Issue 6: Ventura Fire Camp for Adult Offenders

Governor's Budget. The proposed budget requests \$929,627 General Fund, of which \$268,304 is one-time, and 5.3 positions in fiscal year 2014-15 and \$1.136 million General Fund and 9.0 positions beginning 2015-16 to create capacity for inmates at the Ventura Conservation Camp. This expansion would provide 100 additional fire camp beds.

Background. In September of 2014, the Administration requested funding for the current year to allow for the reopening of the Ventura Fire Camp to deal with the growing number of wildfires in the state. Primarily, the Ventura Camp services the southern central coastal region.

The camp is adjacent to the Ventura Youth Correctional Facility and previously served as a juvenile fire camp until it was closed in December 2011 due to the declining juvenile ward population. The camp is intended to house approximately 110 inmates which equates to five additional fire crews.

Legislative Analyst's Office (LAO). The LAO did not raise any concerns with this proposal in their analysis of the Governor's budget.

Questions for the Administration. The Administration should be prepared to address the following question:

1. In the last few years, concerns have been raised around whether or not there are enough inmates in the post-realignment and, now, post-Prop 47 prison population to continue to fill fire camps to capacity, fill prison jobs, and fully utilize training and work programs, such as CalPIA. Can you please provide an update on your ability to find inmates who are eligible to participate in these types of programs?

Action: Approved as budgeted. Vote: 3-0

Issue 7: CalPIA Career Technical Education

Governor's Budget. The proposed budget requests \$2.6 million in General Fund to fund a contract between CDCR's Division of Rehabilitative Programs and the California Prison Industry Authority (CalPIA) to provide Career Technical Education (CTE) programming for 342 inmates (228 women and 114 men).

Background. CalPIA is a state-operated agency that provides work assignments for approximately 7,000 offenders assigned to 5,399 positions annually in California's adult correctional institutions. CalPIA operates 57 manufacturing, service, and consumable factories in 24 CDCR institutions throughout California. CalPIA is self-supporting from the sale of its products and services and does not receive an annual appropriation from the Legislature. In fact, CalPIA is statutorily required to be self-sufficient and generate funding through the sales of the products it produces.

The CalPIA CTE program started in 2006 by partnering with trade unions to provide training to inmates. Essentially, the program uses journeyman trade specialists to train offenders to perform various construction, ironworking, computer-aided design, and other career training activities. Upon parole, participants become apprentices with trade unions that provided their training.

To be eligible, participants must be within 12 to 18 months of release and have either obtained, or are working toward, a high school diploma or general education development certificate.

CDCR funded the program from 2007-08 to 2009-10, when funding was eliminated. From 2010-11 to 2012-13, CalPIA used its own funding, appropriated by the Prison Industry Board, to operate the program. In 2013-14, however, CDCR provided some unspent rehabilitation funding to CalPIA on a one-time basis to assist with the cost of the program. CDCR has agreed to reimburse CalPIA for the current year costs.

Legislative Analyst's Office (LAO). The LAO did not raise any concerns with this proposal in their analysis of the Governor's budget.

Questions for the Administration. The Administration should be prepared to address the following questions:

1. Please describe which CTE programs are being provided by CalPIA and at which institutions.
2. Since CDCR has responsibility for the rehabilitation of inmates, why is CalPIA providing this training instead of CDCR?
3. Is CDCR capable of taking over these training programs?

Action: Approved as budgeted. Vote: 3-0