
Senate Budget and Fiscal Review—Holly J. Mitchell, Chair

SUBCOMMITTEE NO. 5

Agenda

Senator Nancy Skinner, Chair
Senator John M.W. Moorlach
Senator Jim Beall



Thursday, March 7, 2019
9:30 a.m. or upon adjournment of Session
State Capitol - Room 113

Consultant: Christopher Francis, Ph.D.

<u>Item</u>	<u>Department</u>	<u>Page</u>
	Discussion Items	
5225	Department of Corrections and Rehabilitation	
Issue 1	CDCR Overview by Acting Secretary Ralph Diaz	2
Issue 2	Consolidated Legislative Budget Change Proposal	8
Issue 3	Allocation for Deferred Maintenance	10
Issue 4	Prison Maintenance Funding Methodology	12
Issue 5	Various Capital Outlay	14
5225	California Correctional Health Care Services	
Issue 6	Overview of Inmate Health Care and Mental Health Services by J. Clark Kelso	19
Issue 7	Receiver: Educational Partnerships Program Staffing	21

Public Comment

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

ITEMS TO BE HEARD

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

Issue 1: CDCR Overview

Governor's Budget. The budget proposes an increase of \$28 million, or less than one percent, from the estimated 2018-19 spending level of \$12.5 billion. This increase reflects additional funding to (1) address deferred maintenance backlogs, (2) replace vehicles, and (3) support the ongoing preventative maintenance of CDCR facilities. The following table shows CDCR's total operational expenditures and positions for 2017-18 through 2019-20.

**CDCR – Total Operational Expenditures and Positions
(Dollars in thousands)**

Funding	2017-18	2018-19	2019-20
General Fund	\$11,468,357	\$12,218,640	\$12,257,546
General Fund, Prop 98	18,235	20,644	21,598
CA State Lottery Education Fund CA Youth Authority	54	96	96
Federal Trust Fund	1,652	2,047	1,999
Inmate Welfare Fund	68,451	74,610	83,652
Special Deposit Fund	1,400	1,825	1,825
Reimbursements	255,308	236,595	215,385
Mental Health Services Fund	237	1,182	1,182
State Community Corrections Performance Incentive Fund	-1,000	-1,000	-1,000
Total	\$11,812,694	\$12,554,639	\$12,582,193
Positions	57,205.3	57,122.0	57,241.7

Source: Department of Finance

Background. Effective July 1, 2005, the 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 our communities.

CDCR is organized into the following programs:

- Corrections and Rehabilitation Administration
- Peace Officer Selection and Employee Development
- 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; Sex Offender Management Board and State Authorized Risk Assessment Tool for Sex Offenders Review Committee
- Board of Parole Hearings: Adult Hearings; Administration
- Adult Rehabilitative Programs: Education; Cognitive Behavioral Therapy and Reentry Services; Inmate Activities; Administration
- Adult Health Care Services: Medical, Dental, and Mental Health Services; Psychiatric Programs; Ancillary Health Care Services; Medical, Dental, and Mental Health Services Administration

Population Characteristics as of February 13, 2019. The CDCR is responsible for overseeing 183,080 people. There are 126,711 people who are in custody and 56,369 who are on parole or not currently under CDCR's jurisdiction while they are confined in another state or out to court, for example. The institution population on February 21, 2019 was 117,325, which constitutes 130.7 percent of prison capacity. The most overcrowded male prison and overcrowded overall is California Substance Abuse Treatment Facility in Corcoran, which is currently at 163.0 percent of its capacity. The most overcrowded female prison is Central California Women's Facility in Chowchilla is currently the most overcrowded at 142.0 percent of its capacity.

Adult in-state Population Estimates. The 2018 Budget Act projected an overall adult inmate average daily population of 126,890 in 2018-19. The average daily adult inmate population is now projected to be 128,334, an increase of 1.1 percent over spring projections. However, current projections show the adult inmate population is trending downward and is expected to decrease by approximately 1,360 offenders between 2018-19 and 2019-20.

Out-of-state population. The 2018-19 Budget assumed all inmates will be returned from out-of-state facilities by the end of 2018. However, due to the higher-than-expected population in 2018-19, all inmates are now expected to return in June 2019 instead of January 2019, as projected in the 2018 Budget Act. There are currently 1,609 inmates out of state in Arizona.

Parolee Population The 2018 Budget Act projected an overall parolee average daily population of 48,535 in 2018-19. The average daily parolee population is now projected to be 48,701, an increase of less than one percent over spring projections. Current projections show the parole population is trending upward and is expected to increase by 1,244 parolees between 2018-19 and 2019-20.

Mental Health Program Caseload. The population of inmates requiring outpatient mental health treatment is projected to be 36,086 in 2018-19 and 35,796 in 2019-20. This is a decrease of 489 inmates in 2018-19 and an increase of 130 inmates in 2019-20. Based on the Mental Health Staffing Ratios, these changes will result in a reduction of \$2.7 million General Fund in 2018-19 and an increase of \$1.9 million in 2019-20.

CDCR, Division of Juvenile Justice Population. The average daily juvenile population is 662 in the current year and 759 in the budget year which is an increase of 40 for 2018-19 and increase of 113 for 2019-20 when compared to the 2018 Budget Act. The increase in 2019-20 is driven by policy changes that were not incorporated in the prior projection, including the activation of the new Young Adult Program, raising the age of jurisdiction for juvenile court commitments from 23 to 25, and raising the age of confinement for adult court commitments from 21 to 25. These changes result in General Fund increases of \$2.9 million in 2018-19 and \$8.3 million in 2019-20.

Key Policy. In 2009, a federal three-judge panel declared that overcrowding in the state's prison system was the primary reason that CDCR was unable to provide inmates with constitutionally adequate health care. The court ruled that in order for CDCR to provide such care, overcrowding would have to be reduced. Specifically, the court ruled that by June 2013, the state must reduce the inmate population to no more than 137.5 percent of the design capacity in the 33 prisons operated by CDCR at the time. Design capacity generally refers to the number of beds CDCR would operate if it housed only one inmate per cell and did not use temporary beds, such as housing inmates in gyms. Inmates housed in contract facilities, fire camps, or community reentry facilities are not counted toward the overcrowding limit. In May 2011, the U.S. Supreme Court upheld the three-judge panel's ruling. Under the population cap imposed by the federal court, the state was required to reduce the number of inmates housed in its 33 state prisons by about 34,000 inmates relative to the prison population at the time of the ruling.

As a result of the court ruling and the requirement that the state maintain a prison population that remain under a 137.5 percent capacity cap, significant policy changes designed to reduce the number of people in prison have been implemented over the last eight years. The following are among the most significant changes:

Public Safety Realignment. In 2011, the Legislature approved a broad realignment of public safety, health, and human services programs from state to local responsibility. Included in this realignment were sentencing law changes requiring that certain lower-level felons be managed by counties in jails and under community supervision rather than sent to state prison. Generally, only felony offenders who have a current or prior offense for a violent, serious, or sex offense are sentenced to serve time in a state prison. Conversely, under realignment, lower-level felons convicted of non-violent, non-serious, and

non-sex-related crimes (colloquially referred to as “non-non-nons”) serve time in local jails. In addition, of those felons released from state prison, generally only those with a current violent or serious offense are supervised in the community by state parole agents, with other offenders supervised by county probation departments. Responsibility for housing state parole violators was also shifted from state prisons to county jails.

In adopting this realignment the Legislature had multiple goals, including reducing the prison population to meet the federal court-ordered cap, reducing state correctional costs, and reserving state prison for the most violent and serious offenders. Another goal of realignment was to improve public safety outcomes by keeping lower-level offenders in local communities where treatment services exist and where local criminal justice agencies can coordinate efforts to ensure that offenders get the appropriate combination of incarceration, community supervision, and treatment. For many, realignment was based on confidence that coordinated local efforts are better suited for assembling resources and implementing effective strategies for managing these offenders and reducing recidivism. This was rooted partly in California’s successful realignment reform of its juvenile justice over the last 20 years and the success of SB 678 (Leno), Chapter 608, Statutes of 2009, which incentivized evidence-based practices for felony probationers through a formula that split state prison savings resulting from improved outcomes among this offender population.

Passage of Proposition 36. The passage of Proposition 36 in 2012 resulted in reduced prison sentences served under the Three Strikes law for certain third strikers whose current offenses were non-serious, non-violent felonies. The measure also allowed resentencing of certain third strikers who were serving life sentences for specified non-serious, non-violent felonies. The measure, however, provides for some exceptions to these shorter sentences. Specifically, the measure required that if the offender has committed certain new or prior offenses, including some drug-, sex-, and gun-related felonies, he or she would still be subject to a life sentence under the three strikes law.¹

February 2014 Court Order. On February 10, 2014, the federal court ordered the state to implement several population reduction measures to comply with the court-ordered population cap and appointed a compliance officer with the authority to order the immediate release of inmates should the state fail to maintain the final benchmark. The court reaffirmed that CDCR would remain under the jurisdiction of the court for as long as necessary to continue compliance with the final benchmark of 137.5 percent of design capacity and establish a durable solution.

The February 10, 2014, order required the CDCR to:

- Increase prospective credit earnings for non-violent second-strike inmates as well as minimum custody inmates.
- Allow non-violent second-strike inmates who have reached 50 percent of their total sentence to be referred to the Board of Parole Hearings for parole consideration.

¹ Legislative Analyst’s Office, “Proposition 36: Three Strikes Law. Sentencing for Repeat Felony Offenders. Initiative Statute.” July 18, 2012.

- Release inmates who have been granted parole by the Board of Parole Hearings but have future parole dates.
- Expand CDCR's medical parole program.
- Allow inmates age 60 and over who have served at least 25 years of incarceration to be considered for parole (the "elderly parole" program).
- Increase its use of reentry services and alternative custody programs.

Passage of Proposition 47. In November 2014, the voters approved Proposition 47, the Reduced Penalties for Some Crimes Initiative, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing.

Proposition 47 requires that state savings resulting from the proposition be transferred into a new fund, the Safe Neighborhoods and Schools Fund. The new fund will be used to reduce truancy and support drop-out prevention programs in K-12 schools (25 percent of fund revenue), increase funding for trauma recovery centers (10 percent of fund revenue), and support mental health and substance use disorder treatment services and diversion programs for people in the criminal justice system (65 percent of fund revenue). The Director of Finance is required on or before July 31 of each fiscal year to calculate the state savings for the previous fiscal year compared to 2013-14.²

In the proposed budget, the Administration estimates that the 2017-18 savings associated with Proposition 47, will be \$64.4 million in 2017-18, an increase of \$18.8 million in savings over 2016-17. Ongoing savings are estimated to be approximately \$69 million.

Passage of Proposition 57. Approved by voters in November 2016, Proposition 57, the California Parole for Non-Violent Criminal and Juvenile Court Trial Requirements Initiative, brought three major changes to sentencing:

- Allowed individuals convicted of nonviolent felonies to be considered for parole after completing the sentence for their primary offense.
- Allowed CDCR to award additional sentence reduction credits for rehabilitation, good behavior or educational achievements.
- Required a judge's approval before most juvenile defendants can be tried in an adult court.

In November 2017 the Administration filed final regulations with the Office of Administrative Law on credit earning. CDCR proposed new changes to its credit regulations in December of 2018, to further increase credits inmates earn for participating in rehabilitative and educational activities starting in May 2019. The changes include:

² 2015-16 Governor's Budget Summary

- Allowing youth parole hearing dates to be advanced by credits.
- Allowing credit awards or restorations to advance a release date to up to 15 days from the date of award or restoration. This is a decrease of the current policy which is 60 days. Individuals convicted of certain offenses face longer time periods.
- Increasing the rate at which Rehabilitative Achievement Credits (RAC) can be earned and the maximum that can be earned in one year.
- Allowing inmates who earn more than the maximum of 40 calendar days in RAC credits per year to roll the excess over to the next year.
- Increasing credits earned for completion of high school diploma or high school equivalency from 90 to 180 days.

Legislative Analyst's Office's Assessment and Recommendations. The LAO notes that CDCR's annual population related requests typically do not account for recent policy changes. CDCR releases projections of the inmate and parolee populations in the fall and spring of every year in order to make funding adjustments to both the current and budget years. These projections are based on historical trend data and typically do not include the effects of very recent policy changes or those planned for the near future. In certain circumstances, CDCR has adjusted its population projections to account for planned policy changes such as the implementation of Proposition 57. There are policy changes that are being currently implemented, including the aforementioned changes to Proposition 57 credit earning guidelines and resources allocated in the 2018-19 Budget Act, for CDCR to refer inmates to courts for possible sentence reduction due to sentencing errors or exceptional behavior. As such, the LAO makes the following recommendations to the Legislature:

- Require the population projections and budget requests account for recent policy changes to avoid approving resources that CDCR may not ultimately need.
- Due to CDCR's ability to make adjustments to credit earning under Proposition 57 that will likely impact the institutional and parolee population, require that CDCR notify the Legislature

Staff Recommendation. This is largely an overview item designed to provide an update on the correctional system prior to the subcommittee's in-depth review of the proposed CDCR budget. Staff recommends holding open adult institution and juvenile population proposals until the populations are updated during May Revision.

Issue 2: Consolidated Legislative BCP

Governor's Budget. The CDCR requests \$9 million General Fund and 42.5 positions in 2019-20 and \$8.3 million General Fund in 2020-21 and ongoing to comply with legal mandates established by Assembly Bills 2327, 2845, and Senate Bills 960, 1421, and 1447.

Background. The CDCR is requesting resources to comply with various California legal mandates that will create various workload increases. A description of these pieces of Legislation are below:

1. Assembly Bill 2327 (Quirk), Chapter 966, Statutes of 2018. This bill requires every State and local agency that employs peace officers to make and retain a record of any investigation of misconduct involving a peace officer in his or her general personnel file or a separate file designated by the agency. In addition, this bill requires a peace officer seeking employment with a department or agency in California which employs peace officers to give written permission for the hiring agency to view his or her general personnel file and any separate file designated by the department or agency.

The Office of Legal Affairs requests four positions to implement the duties associated with Assembly Bill 2327.

2. Assembly Bill 2845 (Bonta), Chapter 824, Statutes of 2018, known as the Pardon and Commutation Reform Act of 2018 makes it clearer that the board submits recommendations to the Governor, and that this can be done at any time. In addition, the statute modifies the existing pardon and commutation process by requiring the following:
 - The Governor must make the application for a pardon and commutation available on their website.
 - All applications for a direct pardon received by the Governor must be promptly forwarded to the Board of Parole Hearings (BPH) for an investigation and recommendation.
 - BPH must consider applications, with a certificate of rehabilitation issued by a court and forwarded to BPH for an investigation and recommendation by the Governor within one year of receipt.
 - BPH shall consider expedited review of a pardon or commutation application if the petitioner indicates an urgent need in the application.

The CDCR requests seven positions to implement duties associated with AB 2845.

3. Senate Bill 960 (Leyva), Chapter 782, Statutes of 2018, requires CDCR to submit an annual report to the Legislature which describes CDCR's progress and efforts in the following areas:
 - Meeting departmental goals relating to sufficient completion of suicide risk evaluations.
 - Meeting departmental goals relating to sufficient completion of 72-hour treatment plans.

- Ensuring that all required staff receive the training related to suicide prevention and response.
- Implementing the Special Master's recommendations regarding inmate suicides in addition to the results of any audits CDCR implements as a result of those recommendations. Identifying and implementing initiatives designed to reduce risk factors associated with suicide.
- Expanding its notification process pursuant to Penal Code Section 5022, including expansion of those notifications in cases of suicide attempts, when deemed appropriate by the department, and when inmates have consented to the release of that information.

CDCR requests one Senior Psychologist-Specialist for the Statewide Mental Health Program. This position will ensure all reporting requirements are met and that the report is posted on the CDCR website.

4. Senate Bill 1421 (Skinner), Chapter 988, Statutes of 2018, amends Penal Code Sections 832.7 and 832.8, making peace officer and custodial officer investigation and personnel records available for public inspection, pursuant to the California Public Records Act (PRA), when those records relate to reports, investigations, and findings of officer involved incidents, including discharge of a firearm at a person; use of force resulting in death or great bodily injury (GBI); and sustained findings of sexual assault or acts of dishonesty directly relating to the reporting, investigation, or prosecution of crime, or misconduct by a fellow officer. Additionally the bill would authorize redaction where, on the facts of the particular case, the public interest served by nondisclosure clearly outweighs the public interest served by disclosure. The bill would allow the delay of disclosure, as specified, for records relating to an open investigation or court proceeding, subject to certain limitations.

The Office of Internal Affairs and Office of Legal Affairs requests 26 and 4.5 positions respectively (total of 30.5 positions) to implement the duties associated with SB 1421.

5. Senate Bill 1447 (Hernandez), Chapter 666, Statutes of 2018 modifies the prescription authorization requirements for prescriptions administered through an Automated Drug Dispensing System (ADDS) and creates additional workload for the pharmaceutical staff. Because the relative system-wide monthly counts of urgent and non-urgent prescriptions are not known at the present time, California Correctional Health Care Services is requesting two temporary Pharmacist positions in order to begin authorizing urgent after-hours prescriptions while it gathers data on these counts.

CCHCS is requesting these temporary positions for one year and will submit a Budget Change Proposal for additional (or fewer) permanent positions pending the outcome of the prescription survey effort.

Staff Recommendation. Hold open.

Issue 3: Allocation for Deferred Maintenance

Governor's Budget. The budget includes a one-time increase of \$25 million in fiscal year 2019-20 to the Special Repair (SR)/Deferred Maintenance (DM) funding allocation. Additionally, CDCR is requesting Provisional Language to allow the funding to be available for encumbrance until June 30, 2021.

Background. Facilities require routine maintenance, repairs, and replacement of parts to keep them in acceptable condition and to preserve and extend their useful lives. When such maintenance is delayed or does not occur, we refer to this as deferred maintenance. The CDCR states that its existing \$28 million SR/DM funding baseline is inadequate; existing funds must address both urgent new needs and backlogged critical projects. At current funding levels, CDCR is unable to do either effectively and the backlog continues to grow. Currently, CDCR has a SR/DM project funding request backlog exceeding \$1 billion. This is more than 35 times CDCR's current \$28 million annual baseline funding.

SR/DM project development and funding processes address the following categories and types of building and site-wide infrastructure needs: 1) Unplanned Emergency or Urgent Major Repair and/or System Replacement, and 2) Preventive Major Repair and/or System Replacement. The former refers to a group of needs results from sudden catastrophic or imminent major system and/or system component failures while the latter refers to and includes systems that require major repair, but which have not completely failed. These preventative needs can be identified and the required work can be scoped, designed, scheduled and funded according to system and CDCR priority.

Previous funding. With the exception of several one-time augmentations the Legislature had historically funded adult and juvenile SR/DM at \$13 million annually. CDCR's SR/DM funding was increased from \$13 million to \$49 million in 2007-08. The 2007-08 increase was intended to begin addressing the backlog of critical existing deferred repair, replacement, renewal and regulatory compliance related needs at CDCR's adult institutions. In 2008-09, CDCR's SR/DM project backlog totaled \$478.5 million. Due in part to the baseline reduction of \$21 million that occurred in 2011-12, the outstanding unfunded project needs grew to more than \$1 billion as of September 2018.

The substantial increase in SR/DM funding approved in 2007-08 was influenced by the fact that the CDCR constructed seven new facilities between 1985 and 1989 and an additional eleven new facilities between 1990 and 1996. These facilities are aging at the same time and experiencing similar deferred maintenance and repair issues as a result. Many building systems are already approaching the end of their rated useful life. Performance of the required work avoids or minimizes the following: 1) Collateral damage to other systems or structures, 2) Increased demand for recurring maintenance resources and/or minor repairs, and 3) Regulatory fines.

SR/DM project needs are typically extraordinary in scope, amount and/or occurrence and the process of needs identification, prioritization, project development and funding allocation is managed centrally by CDCR through Facility Planning, Construction and Management Division. SR/DM funding is utilized for all project phases including pre-design studies, architectural and engineering design, and construction and inspection.

LAO Assessments. CDCR had not provided the LAO with a list of the specific deferred maintenance projects it plans to fund with the proposed \$25 million. In the LAO's view, the absence of a prioritized

list of projects makes it impossible for the Legislature to determine whether the proposed funding would go to the projects that it thinks most important. For example, the Legislature may wish to prioritize funding certain types of projects—such as those that address fire, life, and safety issues or reduce future state costs—over other types of projects—such as those that would address aesthetic concerns or occur at facilities the Legislature may no longer consider necessary.

LAO Recommendations. The LAO recommends that the Legislature use its budget hearings this spring to gather more information from CDCR. First, they recommend that the Legislature require CDCR to report at budget hearings on the approach it is taking to prioritize projects. This would enable the Legislature to ensure that it is comfortable that the department's approach would result in the selection of projects that are consistent with legislative priorities.

Second, the LAO recommends that the Legislature require CDCR to provide a specific list of projects that it plans to undertake with the requested \$25 million in 2019-20. This list is important for the Legislature to have in order to assess whether the specific proposed projects are consistent with its priorities—such as projects that prevent future costs or address fire, life, or safety risks. If the list includes projects that it deems to be of lower priority, the LAO recommends that the Legislature direct CDCR to reprioritize projects or adjust the funding level accordingly. If CDCR fails to provide a list of proposed projects or is unable to justify its proposed projects to the Legislature's satisfaction, the LAO recommend that the Legislature reject the Administration's proposed \$25 million augmentation for CDCR. The LAO notes that it should generally not be difficult for CDCR to provide a list of proposed projects since the Department of Finance (DOF) issued a budget letter in July 2018 directing departments to provide prioritized lists of projects by September 2018 in preparation for the 2019-20 budget process. (DOF also provided departments with similar direction in previous years.)

Monitor Accumulation of Deferred Maintenance. The LAO also recommends that the Legislature adopt Supplemental Report Language (SRL) requiring that, no later than January 1, 2023, CDCR and the judicial branch identify how their deferred maintenance backlog has changed since 2019. We further recommend that the SRL require that, to the extent a department's backlog has grown in the intervening years, the department shall identify (1) the reasons for the increase, and (2) specific steps it plans to take to improve its maintenance practices on an ongoing basis. This is because, if a department experienced a large increase in its backlog, it might suggest that its actual routine maintenance activities are insufficient to keep up with its annual needs and that it should improve its maintenance program to prevent the further accumulation of deferred maintenance.

Staff Recommendation. Hold Open.

Issue 4: Prison Maintenance Funding Methodology

Governor's Budget. The CDCR's Division of Facility Planning, Construction and Management, requests (1) replacement of the existing methodology for funding prison maintenance, which adjusts funding annually based on changes in the prison population, with a formula based on square footage, and (2) an increase in funding for maintenance and plant operations of \$18.5 million General Fund in 2019-20, \$37.1 million in 2020-21, and \$55.6 million in 2021-22 and ongoing.

Background. CDCR's adult institution portfolio currently encompasses over 24,000 acres of land, which includes approximately 5,000 buildings comprising over 42 million square feet. While the number of buildings and types of infrastructure vary at each prison, it is estimated there are more than 22,000 individual pieces of equipment and utility system components required to operate each prison. Prison maintenance and plant operations funding is the sole source of funds provided to CDCR for a wide variety of activities such as preventive maintenance, major periodic maintenance and equipment replacement, planned and emergency minor repairs, and the purchase of parts and material supplies necessary for these functions.

Prison maintenance and plant operations funding is also utilized for maintenance and repair contracts for equipment such as air handling units, water and steam systems, fire alarm and suppression systems, high voltage electrical systems, boiler and chiller maintenance and repair, and emergency generators required for emergency operations and health facility licensure. Many prisons have water and/or wastewater plants and fuel storage tanks that require annual expenditures for supplies, repairs, regulatory testing, and adherence to standards required by state and local enforcement agencies. Spare parts are necessary to ensure the equipment and systems used for day-to-day prison operations can be quickly repaired. Funding is also used to provide the parts and materials necessary for standard activities such as replacing air filters, light bulbs, painting, and other building repairs.

For approximately 20 years, CDCR's prison maintenance and plant operations funding level has been calculated based on a per-inmate rate of \$277 applied to the projected Average Daily Population for adult institutions. This is the same manner in which funding for food and inmate clothing is calculated. The funding needed for food and clothing at a prison is directly correlated with the number of inmates. However, prison maintenance and plant operations needs are dependent upon the number, type, and age of buildings and systems, not the number of inmates who use the buildings.

The current per-inmate funding formula assumes prison maintenance and plant operations costs fluctuate based on the number of inmates housed at each prison. The fixed costs associated with performing annual service on major systems such as high voltage electrical and fire alarm/suppression systems, operating water/wastewater systems and fuel storage tanks pursuant to regulatory requirements, and purchasing parts and materials needed for minor repairs and for planned major equipment replacements must also be considered. An institutional survey of maintenance and plant operation purchases indicates that the current level of funding is significantly less than what is necessary for prison maintenance and plant operations activities.

Prison maintenance and repair needs are separated into three distinct categories: contracts required for specialized maintenance, repair, and rental services in case of equipment breakdown; required annual fees to regulatory agencies; and parts and materials necessary to provide for the planned level of repairs and equipment replacements during the fiscal year. The current funding available for prison maintenance

and plant operations is insufficient to meet required preventive maintenance needs or support service contracts for specialized systems. By having to ration and prioritize the existing funding institutions often must defer the planned replacement of significant pieces of equipment such as air handling units, pumps, water heaters, etc.

Justification. With baseline funding based on square footage and a standard rate for contracts, fees and supplies, the institutions' maintenance and operations funding needs will be properly met. This proposal recommends a formula that multiplies the total square footage of CDCR's institutions - 40.4 million square feet - by a base rate of \$2.20 for contracts, fees, and supplies. The funding amount of \$2.20 per institution square foot was determined based on a CDCR Annual Work Plan survey across 33 institutions - excluding California Health Care Facility, Stockton and the infill facilities at Mule Creek State Prison and Richard J. Donovan – that aggregated contract, fee, and supply expenditures needed by institutions for facility maintenance and plant operations. This amount was then compared with external benchmarks, including a 2016 Building Owners and Managers Association (BOMA) International report that indicated U.S. private sector office buildings expend about \$2.25 per square footage for road, ground, and facility repair and maintenance. This new funding methodology would be instituted incrementally over three years and augment the current \$33.3 million budget by \$18.5 million in 2019-20, \$37.1 million in 2020-21 and \$55.6 million in 2021-22, for a total funded amount of \$88.9 million. Future adjustments to this funding level will rise or decline dependent on the total square footage of CDCR's institutions.

Outcomes. According to the CDCR, the increased baseline funding level for prison maintenance and plant operations would allow for prioritization of annual maintenance and repair activities, and multi-year funding decisions resulting in more efficient spending. Additionally, the increase will give the facilities the ability to schedule regular equipment replacement, avoiding the high cost of emergency replacements or equipment rental.

Staff Recommendation. Hold Open.

Issue 5: Various Capital Outlay
--

Governor's Budget. The Governor's budget proposes total expenditures of \$148 million (\$93 million General Fund) for CDCR capital outlay projects in 2019-20. This amount includes (1) \$77 million in additional General Fund support to continue previously approved projects and to begin one new project at existing CDCR facilities, (2) \$55 million in General Fund lease revenue bonds for various counties to construct or renovate juvenile correctional facilities through a program first authorized by SB 81 (Committee on Budget and Fiscal Review), Chapter 175, Statutes of 2007, and (3) \$16 million previously appropriated from the General Fund to support previously approved projects. The 16 proposals are documented below:

Priority Number	Project Title	Purpose of Request	Requested Amount	Total Project Cost
1	California Correctional Center, Susanville (CCC): Health Care Facility Improvement Program--Central Health Services Building Renovation	Construction phase of Phase II of the CCC Prison's Health Care Facility Improvement Project. Includes additional work at the Central Health Services building including renovations to the Inmate Waiting Area and Staff Workroom, Specialty Care area, and mechanical/fire alarm upgrades to the building.	\$8.06 million General Fund	\$8.06 million General Fund
2	California Institution for Men: Health Care Facility Improvement Program—Primary Care Clinics B and C	Funding is being requested for the construction phase of Phase II. Phase II includes renovations to the Primary Care Clinics in Facilities B and C.	\$9.7 million General Fund	\$9.7 million General Fund
3	Correctional Training Facility, Soledad: Health Care Facility Improvement Program—Specialty Care Clinic	Funding is being requested for the construction phase of Phase II. Phase II includes renovations to the Specialty Care Clinic in Facility C.	\$10.4 million General Fund	\$10.4 million General Fund
4	Sierra Conservation Center, Jamestown: Health Care Facility Improvement Program—Central Health Services Building Renovation	Funding is being requested for the construction phase of Phase II. Phase II includes renovations to the Central Health Services building.	\$12 million General Fund	\$12 million General Fund

5	Pelican Bay State Prison, Crescent City: Facility D Yard	This proposal requests funding to construct a recreation yard for Facility D at Pelican Bay State Prison (PBSP). PBSP Facility D Security Housing Unit has been repurposed to a level II housing unit. This yard will provide inmates with the necessary space to participate in recreational and physical education programs.	\$3.9 million General Fund	\$4.5 million General Fund
6	Correctional Training Facility, Soledad: Administrative Segregation Cell Door Retrofit	This proposal requests funding to replace the existing 144 barred cell fronts with more secure cell fronts with vision panels in the O-Wing Administrative Segregation Unit at the Correctional Training Facility (CTF) outside Soledad. The renovation of ASUs with new cell fronts addresses an important security need within prison facilities. In addition, the replacement of barred cell fronts and cell modifications related to heating and ventilation systems reduces suicide risks, which is of interest to the federal court in <i>Coleman v. Brown</i> .	\$15.7 million General Fund	\$16.9 million General Fund
7	Folsom State Prison, Folsom: Water Storage Tanks	Funding is being requested for the construction phase of this project. This proposal requests funding to construct two new 750,000 gallon water storage tanks necessary to support building fire suppression requirements as part of the Health Care Facility Improvement Program Improvements.	\$9.6 million General Fund	\$9.6 million General Fund
8	Deuel Vocational Institution, Tracy: New Boiler Facility	This proposal requests funding for the design and construction of a new central high-pressure steam boiler facility. Boiler replacement is required for compliance with the San Joaquin Valley Air Pollution Control District regulations for gas-fired boiler emissions standards.	\$4 million General Fund	\$4 million General Fund

9	Medication Distribution Improvements - Phase II	The requested funding is for the working drawings phase of the 13 separate projects, each subject to project authority separately and individually. These improvements will increase staff productivity and safety as well as ensure compliance with the <i>Plata Court</i> by providing timely inmate-patient access to medication.	\$3.7 million General Fund (total)	\$37 million General Fund (total)
10	California Institution for Men, Chino: Air Cooling Facility A	This proposal requests funding for the working drawings phase of the project. This proposal requests funding to install air cooling systems with required fire/life/safety improvements in Facility A housing units at the California Institution for Men to ensure that indoor temperatures will be maintained at or below 89° Fahrenheit in accordance with the CDCR's Design Criteria Guidelines.	\$931,000 General Fund	\$11.9 million General Fund
11	California State Prison, Sacramento: New Cognitive Behavioral Treatment Classrooms	This proposal requests funding for the working drawings phase to design and construct three 1,300 square foot classrooms with inmate and staff restrooms and staff offices to support the Cognitive Behavioral Treatment program at California State Prison, Sacramento.	\$491,000 General Fund	\$6.4 million General Fund
12	San Quentin State Prison, San Quentin: Cognitive Behavioral Treatment Space	This proposal requests funding for the working drawings phase of the project for the remodel of approximately 8,000 square feet of Vocational Building 32 for Cognitive Behavioral Treatment programs at San Quentin State Prison.	\$484,000 General Fund	\$7.1 million General Fund

13	Valley State Prison, Chowchilla: Arsenic Removal Water Treatment Plant	This proposal requests funding for the preliminary plans phase of the project. This proposal requests funding for the design and installation of an arsenic removal water treatment plant at Valley State Prison (VSP) due to the increase in arsenic levels in the wells at VSP and the adjacent Central California Women's Facility.	\$1.5 million General Fund	\$21 million General Fund
14	Statewide: Budget Packages and Advanced Planning	This request provides funding to perform advanced planning functions and prepare budget packages for capital outlay projects to enable the Department to provide detailed information on scope and costs on requests for planned projects.	\$250,000 General Fund	\$250,000 General Fund
15	Reappropriation of AB 900 General Fund	Requesting a reappropriation of the unexpended funding. This reappropriation is necessary to ensure the balance of this appropriation remains available for completion of these projects. Assembly Bill 900 as amended appropriated \$300,000,000 General Fund for design and construction of infrastructure, dental, medication distribution improvements and for projects in the Health Care Facility Improvement Program (HCFIP) at prisons statewide. Five HCFIP projects and multiple medication distribution improvement projects are authorized from this funding source. Preliminary plans and working drawings have been completed for these projects; however, construction has been delayed due to fire alarm system connectivity issues, delayed approvals of fire sprinkler submittals, and phasing to maintain	\$11.8 million General Fund	\$249 million General Fund

		safe prison and medical operations during construction.		
16	Stateside: Master Plan for Renovation/Replacement of Original Prisons—Study	Extend reversion date of funding provided in 2016 to complete a study of the prisons constructed prior to 1980 from June 30, 2019 to June 20, 2020 to allow for time to process invoices and close out contracts.	\$0	\$5.41 million General Fund

Staff Recommendation. Hold Open.

5225 CALIFORNIA CORRECTIONAL HEALTH CARE SERVICES**Issue 6: Overview of Inmate Health Care and Mental Health Services**

Background. On June 30, 2005, the United States District Court ruled in the case of *Marciano Plata, et al v. Arnold Schwarzenegger* that it would establish a receivership and take control of the delivery of medical services to all California prisoners confined by CDCR. In a follow-up written ruling dated October 30, 2005, the court noted:

By all accounts, the California prison medical care system is broken beyond repair. The harm already done in this case to California's prison inmate population could not be more grave, and the threat of future injury and death is virtually guaranteed in the absence of drastic action. The Court has given defendants every reasonable opportunity to bring its prison medical system up to constitutional standards, and it is beyond reasonable dispute that the State has failed. Indeed, it is an uncontested fact that, on average, an inmate in one of California's prisons needlessly dies every six to seven days due to constitutional deficiencies in the CDCR's medical delivery system. This statistic, awful as it is, barely provides a window into the waste of human life occurring behind California's prison walls due to the gross failures of the medical delivery system.

On February 14, 2006, the federal court appointed a receiver to manage medical care operations in the prison system. The current receiver was appointed in January of 2008. The receivership continues to be unprecedented in size and scope nationwide.

The receiver is tasked with the responsibility of bringing the level of medical care in California's prisons to a standard which no longer violates the U.S. Constitution. The receiver oversees 11,830.4 prison health care employees, including doctors, nurses, pharmacists, psychiatric technicians and administrative staff. Over the last thirteen years, healthcare costs have risen significantly. The estimated per inmate health care cost for 2017-18 (\$25,936) is three times the cost for 2005-06 (\$7,668). The state spent \$1.2 billion in 2005-06 to provide health care to 162,408 inmates. The state estimated that it spent approximately \$3.1 billion in 2017-18 for 119,202 inmates. Of that amount, \$2.2 billion is dedicated to prison medical care under the oversight of the receivership.

Since the appointment of the receivership, spending on inmate health care has almost tripled. A new prison hospital has been built, a new Electronic Health Records System was implemented in the fall of 2017, and new procedures are being created that are intended to improve health outcomes for inmates. According to CCHCS, in the month of November 2017, over 565,000 health care appointments were requested for inmates. The rate of preventable deaths has dropped significantly since 2006 (from 38.5 per 100,000 inmates in 2006 to 14.0 per 100,000 inmates in 2016).

Chief Executive Officers for Health Care. Each of California's 34 prisons has a chief executive officer (CEO) for health care who reports to the receiver. The CEO is the highest-ranking health care authority within a CDCR adult institution. A CEO is responsible for all aspects of delivering health care at their respective institution(s) and reports directly to the receiver's office.

The CEO is also responsible for planning, organizing, and coordinating health care programs at one or two institutions and delivering a health care system that features a range of medical, dental, mental health, specialized care, pharmacy and medication management, and clinic services.

Serving as the receiver's advisor for institution-specific health care policies and procedures, the CEO manages the institution's health care needs by ensuring that appropriate resources are requested to support health care functions, including adequate clinical staff, administrative support, procurement, staffing, and information systems support.

Process for Delegating Responsibility to State. In March 2015, the Plata court issued an order outlining the process for transitioning responsibility for inmate medical care back to the state. Under the order, responsibility for each institution, as well as overall statewide management of inmate medical care, must be delegated back to the state. The court indicates that, once these separate delegations have occurred and CDCR has been able to maintain the quality of care for one year, the receivership would end. To date, the Receiver has transitioned oversight of 19 institutions back to the state.

Staff Comment. This is an item intended to provide the subcommittee with an update on the state of inmate healthcare and to serve as an introduction to the budget request that follows.

Issue 7: Receiver: Educational Partnerships Program Staffing

Governor's Budget. The budget includes \$1.8 million General Fund for three years beginning in 2019-20 and an additional \$1.2 million General Fund for two years beginning in 2020 to expand and evaluate the Educational Partnerships Program (EPP).

Background. CCHCS faces significant challenges hiring and maintaining a large primary care provider (PCP) workforce. This is reflective of national trends, particularly with respect to underserved populations. The Health Resources and Services Administration (HRSA) projects that by 2020 there will be a national shortage of over 20,000 PCPs. CCHCS strives to maintain a 90 percent fill rate goal for PCPs, but CCHCS' current vacancy rate for PCPs is approximately 18 percent. CCHCS started the EPP in 2017 with existing resources in an effort to take innovative approaches to solving this problem.

The EPP places medical professional students and recent graduates in temporary residency and internship positions within state prisons to develop critical on-the-job skills and to improve recruitment and retention. Within one year of establishment of this resident rotation program, the number of Educational Partners (medical schools and universities) increased from 4 to 19. In the 2017-18 school year, CCHCS reports that EPP on-boarded 109 medical students, residents, and Masters of Public Health students from 14 educational partners at 14 CDCR/CCHCS sites.

Despite this success, CCHCS continues to experience challenges in recruitment of PCPs. Nurse Practitioners (NPs), a valuable complement to physicians and surgeons, have also been difficult to recruit because qualified applicants with sufficient clinical experience relevant to CCHCS's needs are hard to find. And, currently, the EPP is using existing staff borrowed temporarily from other assignments to facilitate the program. These staff oversee the medical student/resident rotation schedules, provide support and training, and coordinate with educational partners. While this borrowed staff were sufficient to stand up the program, it has grown to the point where they can no longer manage the increased workload. As the EPP matures and expands, it is critical to have full-time staff dedicated to the program.

Overall the long-term goal of the EPP is to create a workforce pipeline to address the ongoing recruitment and retention of health care providers in CCHCS. CCHCS would like to become an organization of choice.

Justification and outcomes with proposed funding. CCHCS states that with the increased funding it would be able to onboard full-time dedicated staff to match the program's current and anticipated growth. Moreover, they state that they will expand the EPP to include NPs. The Nurse Practitioner Residency Training Program (NP RTP), which was developed based on a review of similar programs in other health care organizations, seeks to address this problem by providing a one-year training and mentorship program for NPs within the correctional health care system, in the program, NP residents will be trained by CCHCS preceptors and will therefore be familiar with CCHCS medical services if they choose to apply for a position. During the course of the program, NP residents will have a reduced patient caseload which grows over time, and be under close supervision and mentorship by preceptors. They will also receive structured educational and quality improvement training, including consistent evaluation and feedback. The NP RTP will begin with two NP residents in 2019-20, and will be expanded to eight residents in 2020-21. They anticipate increases in onboarding/training medical students and residents, educational partners, CCHCS sites, clinical preceptors, and clinical faculty in the 2019-20 and ongoing with the proposed funding.

Staff Recommendation. Approve as budgeted.