



An Update to the Future of California Corrections

January 2016

This page intentionally blank to facilitate double-sided printing.

INTRODUCTION

In April 2012, the Administration published the report “The Future of California Corrections: A Blueprint to Save Billions of Dollars, End Federal Oversight, and Improve the Prison System”. This report was released in the wake of prison population reductions occurring after implementation of 2011 Public Safety Realignment. It was essential to catalogue both how the prison budget would be reduced and how the prisons would operate with a significantly reduced population. The report highlighted changing the inmate classification system to fit inmates into the most appropriate housing situations allowing for more rehabilitative services. It also introduced a new funding model—standardized staffing—for the prisons versus the previous workload adjustment model. Rehabilitation programs, reentry hubs and reentry services became the model of programming in the prisons.

The Blueprint was premised on the Administration asking the federal court to increase the proposed population cap from 137.5 to 145 percent. The Administration believed that a constitutional level of health care could be achieved with the population at 145 percent of design capacity. At the time of the Blueprint, population projections indicated that the state would be able to meet 145 percent of design capacity, thereby creating a durable solution.

Much has changed since the Blueprint was released.

The court maintained the population cap at 137.5 percent of design capacity. The spring 2013 prison population projections estimated the state would not meet the 137.5-percent target resulting in an immediate release of thousands of state inmates. Faced with that impending release, the Legislature passed and the Governor signed Chapter 310, Statutes of 2013 (SB 105), which authorized additional capacity measures, including sending inmates out-of-state on an involuntary basis, allowing a streamlined process for contracting for beds, and leasing the private California City Correctional Facility site. If the cap had been modified to 145 percent, the Department of Corrections and Rehabilitation would have been able to house an additional 6,000 inmates within the state prisons thereby reducing the need for out-of-state and in-state contract capacity.

The court ultimately agreed to a two-year extension, to February 2016, for the state to meet the population cap of 137.5 percent of design capacity. The court also ordered the state to implement specific population reduction measures to meet the population cap and put in place a compliance officer who has the authority to release inmates from state prison should the state not meet its target. The Department has implemented all of the population reduction measures ordered by the court and these measures have reduced the prison average daily population by approximately 4,000 inmates in 2015-16.

There have been other significant changes affecting the prison population beyond the court-ordered measures.

The Governor signed into law Chapter 312, Statutes of 2013 (SB 260), which established a youthful offender parole process allowing individuals who committed a crime while under the age of 18 for their controlling offense, to be eligible for earlier parole hearings before the Board of Parole Hearings. Chapter 471, Statutes of 2015 (SB 261), expanded the eligible population to those youthful offenders who committed their controlling offense before the age of 23. It is estimated these measures have the potential to reduce the annual average daily prison population by approximately 150 inmates.

In November 2014 the voters adopted Proposition 47, which reduced the classification of many drug and property crimes from felonies to misdemeanors and established a resentencing process for anyone who had served or was serving a sentence for these crimes. Proposition 47 is estimated to reduce the average daily inmate population by 4,712 inmates in 2015-16.

By May 2016, the state will reduce the out-of-state population to 4,900 and infill projects to add capacity should be on line. However, the fall 2015 population projections continue to show a slight increase in the prison population. For a variety of reasons outlined in this report, the state will need to maintain the out-of-state beds and continue to lease California City Correctional Facility beyond the 2016 calendar year. No prison is proposed for closure in the near future.

Given the significant changes since the Blueprint was originally published, the Administration agreed to release a new report as part of the 2016-17 Governor's Budget that would identify a comprehensive plan for the state prison system. Specifically, Chapter 26, Statutes of 2015 (SB 85), added Welfare and Institutions Code section 3313, which states:

“(a) The Department of Finance and the Department of Corrections and Rehabilitation shall release a report that provides an updated comprehensive plan for the state prison system, including a permanent solution to the decaying infrastructure of the California Rehabilitation Center. The report shall be submitted with the Governor's 2016-17 Budget to the Assembly Committee on Appropriations, the Assembly Committee on Budget, the Senate Committee on Appropriations, the Senate Committee on Budget and Fiscal Review, and the Joint Legislative Budget Committee.

(b) The Legislature finds and declares that given the reduction in the prison population, further investment in building additional prisons is unnecessary at this time, and that the California Rehabilitation Center may be closed without jeopardizing the court-ordered prison cap.”

This report is respectfully submitted to the Legislature in fulfillment of the requirement in Welfare and Institutions Code section 3313.

Section One of the report lays out the various commitments made in the Blueprint and the progress the Department has made in meeting those commitments. Section Two includes an update on other departmental areas that were not addressed in the Blueprint. Section Three lays out the current population and budget, how the population and budget differ from what was anticipated in the Blueprint, and how the population may continue to change. Section Four describes the Department’s challenges with population management and facilities and its plan to address the challenges. Section Five outlines the Department’s plan for operating the prison system in the coming years.

This page intentionally blank to facilitate double-sided printing.

SECTION ONE: ORIGINAL BLUEPRINT

The Blueprint built upon sweeping changes to the state correctional system made by 2011 Public Safety Realignment. Realignment legislation, Chapter 15, Statutes of 2011 (AB 109), was signed in April 2011, and implementation began in October 2011. This landmark legislation was intended to ease prison crowding and reduce state spending on prisons. In the first six months following the implementation of Realignment, the California Department of Corrections and Rehabilitation's inmate population dropped by more than 21,000 inmates. The Blueprint assumed that the state would be able to successfully request an adjustment to the court-imposed population cap to 145 percent of design capacity, arguing that the Department would be able to provide constitutionally adequate health care at that level, and therefore the 137.5 percent cap was arbitrary and unnecessary. The Blueprint laid out solutions to meet the 145-percent population cap and a plan to operationalize the budget and population reductions, consistent with the assumptions made with the passage of Realignment, to make the prison system safer and more efficient.

The Blueprint recognized that the Realignment legislation alone would not fully satisfy the Supreme Court's order or meet other challenges faced by the Department. Consequently, the Blueprint outlined efforts to rehabilitate offenders to improve recidivism rates and outcomes, appropriately classify offenders for housing to increase access to rehabilitative programs, address staffing deficiencies to improve overall prison operations, and improve health care treatment space and capacity. The Blueprint also detailed a proposal to return 9,500 inmates then housed out-of-state, a practice that began in 2006 in response to prison crowding. Specifically, the Blueprint laid out the following goals:

1. Seek and obtain modification of the court order to raise the final benchmark to 145 percent of design capacity.
2. Return 9,500 inmates from out-of-state facilities.
3. Modify the inmate classification system to shift 17,000 inmates to housing with more access to programs.
4. Improve access to rehabilitative programming, placing 70 percent of the target population in programs consistent with identified needs.
5. Establish a system of standardized staffing.
6. Open the California Health Care Facility in Stockton and continue additional ongoing health care improvements.
7. Begin implementing recommendations regarding gang management.

The following outlines what has happened in each area since the Blueprint.

COURT ORDER

In November 2006, plaintiffs filed a motion to convene a three-judge court in the *Plata v. Brown* lawsuit under the 1996 Prison Litigation Reform Act, claiming that overcrowded conditions in California's prisons resulted in unconstitutional medical care. The second lawsuit joined in the three-judge court, *Coleman*, involves mental health services for inmates. Both lawsuits claim that care for inmates violates the Eighth Amendment of the U.S. Constitution, which prohibits cruel and unusual punishment of the incarcerated.

In 2007, a three-judge court was convened to address claims that crowding in the California state prisons results in unconstitutional medical and mental health care. In 2009, the three-judge court ordered the state to reduce its adult institution population to 137.5 percent of design capacity within two years, equivalent to a reduction of about 40,000 inmates. The state appealed this decision, but in 2011, the U.S. Supreme Court upheld the three-judge court's ruling.

The three-judge court issued another order in October 2012 requiring the state to develop two plans to reduce the prison population to 137.5 percent of design capacity by June 27, 2013 and December 27, 2013. The plans were submitted to the court on January 7, 2013, as ordered.

With the potential imminent release of inmates to meet the 137.5-percent cap, Chapter 310, Statutes of 2013 (SB 105), was enacted in September 2013 to provide additional capacity necessary to avoid such releases.

The Blueprint was developed based on the premise that the state would be successful in modifying the population cap to 145 percent of design capacity, and ultimately be able to end federal court oversight. The court did not modify the court order, and instead granted a two-year extension, requiring the state to achieve 137.5 percent of design capacity by February 2016. As of December 9, 2015, the Department was at 136.0 percent of design capacity. The February 10, 2014 order also required the Department to implement additional population reduction measures and appointed a compliance officer who has authority to release inmates if the Department fails to meet or maintain the final benchmark.

Specifically, the February 10, 2014 order required the Department 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
- Parole inmates who have been granted release by the Board of Parole Hearings but have future parole dates
- Expand the Department's medical parole program
- Establish an elderly parole program
- Increase its use of reentry services and alternative custody programs

The court also reaffirmed that the Department 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 Department plans to continue the court-ordered population measures with an aim towards a durable solution that preserves public safety.

CONTRACT FACILITIES

Out-of-State Facilities

In the Blueprint, numerous changes were assumed to impact the state prison population enough that all of the 9,500 inmates then housed at private out-of-state facilities could be returned to California by June 2016. The inmate population has not decreased by the levels projected in the Blueprint and the court retained the population cap at 137.5 percent of design capacity, rather than 145 percent. While the Department will reduce the out-of-state inmate population to 4,900 inmates by the end of 2015-16, it has not been able to bring all inmates back from private out-of-state contract facilities and still maintain compliance with the population cap.

In-State Facilities

The Blueprint noted that the "implementation of classification changes will provide more flexibility to house offenders in non-celled environments." As a result, additional inmates could be housed in in-state contract facilities. To help reduce the institution population below 145 percent of design capacity, the Blueprint called for an increase from 600 in-state contract beds to 1,825 by December 2013.

The Department has increased the utilization of in-state contract beds above Blueprint levels. As of December 9, 2015, the private and public community correctional facilities and the California City Correctional Facility house approximately 5,821 inmates—an increase of 3,996 from Blueprint projections.

INMATE CLASSIFICATION

Based on a 2011 review of its classification system, the Department committed in the Blueprint that it would “responsibly adjust the thresholds between the security levels and further refine which offenders require placement in celled housing and level IV prisons.” More appropriately classifying and housing these offenders not only helps promote safety and security, but also allows more inmates opportunities to access rehabilitative programming. More specifically, the Blueprint aimed to shift 17,000 inmates to lower security levels, and set forth the following expectation:

“The Department expects that by 2015 the new regulations will be fully implemented and over 9,500 male inmates will have moved from level IV to level III, and over 7,000 inmates will have moved from level III to level II. As a result, these male inmates will have increased access to rehabilitative programs and avoid the criminogenic influence associated with unnecessary over-classification, thereby aiding success upon release. This policy change will also reduce costs associated with construction and operation of celled housing and level IV male facilities.”

The Department adopted new regulations to change the ranges of the classification placement score system to allow inmates with higher classification scores to be assigned to lower security levels compared to the previous ranges. Specifically, classification for level II was adjusted from a score range of 19-27 to a score range of 19-35; classification for level III was adjusted from a score range of 28-51 to a score range of 36-59; and classification for level IV was adjusted from a score range of 52 and above to a score range of 60 and above. These changes allow the Department to more efficiently manage its population by placing inmates in lower category beds, thereby providing maximum opportunity to inmates for programming and improving the Department’s ability to safely and securely manage the prison population. All current inmates have been classified utilizing the new process.

The Office of the Inspector General evaluated the Department’s progress on implementing the new classification system and found that, as of September 2015, the Department surpassed the Blueprint target and that classification score range changes affected 17,577 inmates whose placement score indicated a lower security housing level than prior to the classification score range change. These changes complement the Department’s programming goals and help establish a foundation for program accessibility and expansions.

REHABILITATIVE PROGRAMMING

Prior to development of the Blueprint, the Department's budget for rehabilitative programming had seen large-scale reductions. Additionally, as a result of crowding, much of the physical space for programming had been utilized as housing space. With the reduced inmate population, the Department committed to several goals related to increasing rehabilitative programs for adult inmates. Specifically, the Blueprint set forth the following commitment:

"...increase the percentage of inmates served in rehabilitative programs to 70 percent of the department's target population prior to their release. In reaching this goal, the department will employ additional structured programs to address particular needs such as criminal thinking, anger management, and family relationships. The department will also establish reentry hubs to concentrate pre-release programs that prepare inmates about to return to their communities."

The Division of Rehabilitative Programs faced several challenges in meeting this goal, such as the transfer of inmates to out-of-state facilities, the Valley Fever exclusion at certain prisons, and the lengthy state contracting process. In spite of these challenges, the Department has been able to increase the percentage of inmates served in rehabilitative programs to approximately 60 percent of the target population. The target population is comprised of offenders who, based on assessments, have a moderate-to-high risk to reoffend with a moderate-to-high criminogenic need for services. The Department continues to improve programming access and opportunities to achieve the 70-percent goal.

The Department is working with the Office of the Inspector General to revise the counting rule for this goal to have it reflect a need that has been addressed by a sufficient amount of program participation. Currently a need is counted as met if an inmate spends only one day in a program: it would be more realistic to only count a need to have been met when an inmate has completed a larger portion of a program. While this change may make it more difficult for the Department to achieve the 70-percent goal, it is a better assessment of offenders receiving services.

Reentry and Programming Goals

Consistent with the Blueprint, the Department established reentry hubs at 13 facilities: Avenal State Prison; Central California Women's Facility; California Institution for Men; California Institution for Women; California Men's Colony; Correctional Training Facility; Chuckawalla Valley State Prison; Folsom Women's Facility; High Desert State Prison; Ironwood State Prison; California State Prison, Los Angeles County; Substance Abuse Treatment Facility; and Valley State Prison. In addition, the 2014 Budget Act provided resources for the implementation

of reentry programming at four in-state contract facilities as well as the leased California City Correctional Facility. Reentry hubs provide programming that prepares offenders for transitioning into society upon their release, and is available to eligible inmates who are within four years of release. Programs include cognitive behavioral treatment program services such as substance use disorder treatment, criminal thinking, anger management, and family relationships. These facilities, along with all other institutions, offer academic and career technical education programs to allow inmates to obtain academic degrees and trade certifications. Inmates are also offered the Transitions Program, which provides them with job readiness, job search skills, and practical financial literacy to facilitate their successful reentry into the job market.

The Blueprint included the following improvements to rehabilitative programming:

- *Add 159 academic teachers over a two-year period*
The Department hired all 159 academic teachers by June 30, 2015, and additionally added 5 teacher positions for the California City Correctional Facility.
- *Add 98 vocational instructors over a two-year period*
The Department has filled 92 vocational instructor positions, while actively recruiting to fill the remaining positions in hard-to-fill locations.
- *Include substance use disorder treatment programs at each reentry hub*
The Department added substance use disorder treatment programs at each reentry hub, four in-state contract facilities, and the California City Correctional Facility. The Department is also in the process of expanding substance use disorder treatment at ten additional prisons.
- *Add cognitive-behavioral treatment programs to address anger management, criminal thinking, and family relationships*
The Department added these cognitive behavioral treatment programs at reentry hubs, including in-state contract facilities.
- *Expand the pre-employment Transitions Program to all reentry hubs*
The Department expanded the Transitions Program to all reentry hubs.

In addition to the above commitments, the Department also expanded the Cal-ID program, which establishes a process for inmates who are being released to obtain a California State Identification Card, which is a critical aspect of success for inmates transitioning into the community. For example, a state-issued identification card is needed to enroll in Medi-Cal and obtain services. While the Cal-ID program was initially only available at reentry hubs, the Department has expanded this program to inmates in all state prisons as required by Chapter 607, Statutes of 2014 (SB 2308).

Female Offenders

In addition to establishing reentry hubs at female institutions, the Blueprint made specific commitments related to female offender programs and services. Given the lower female inmate population due to Realignment, the Blueprint planned for the conversion of Valley State Prison for Women to a male facility, and for the activation of the Folsom Women’s Facility. The Department implemented both of these changes. Through the use of contract beds and the female alternative custody programs, the Department has reduced the female prison population below 137.5 percent; to approximately 135.1 percent of design capacity as of December 9, 2015. The Department also increased access to programs and community services and implemented the court-ordered Enhanced Alternative Custody Program for the female population. Since the Blueprint, the Department added:

- *289 Enhanced Alternative Custody Program Beds*
 - 82 Beds in San Diego
 - 82 Beds in Santa Fe Springs (Los Angeles)
 - 75 Beds in Bakersfield (Kern)
 - 50 Beds in Stockton (San Joaquin) (expected to open in March 2016)
- *300 Female Correctional Reentry Facility Beds in McFarland (Kern)*

These programs are designed to provide female offenders with community support and necessary tools to assist them in successfully transitioning back into the community. The programs are focused on placing offenders in less restrictive environments to support family reunification.

STANDARDIZED STAFFING

In the Blueprint, the Department established a standardized staffing model at the adult institutions to achieve budgetary savings and improve efficiency in operations. Prior to standardized staffing, the Department’s budget was adjusted on a 6-to-1 inmate-to-staff ratio based on changes in the inmate population—for every 6 inmates, the Department received or reduced the equivalent of one position. These staffing adjustments occurred even with minor fluctuations in population and resulted in staffing inconsistencies among adult institutions. Given the significant population reductions expected as a result of Realignment, using the Department’s ratio-based adjustment would have resulted in a shortage of staff and prison operations would have been disrupted. The Blueprint recognized that a standardized methodology for budgeting and staffing the prison system was necessary to provide a staffing model that could respond to fluctuations in the population and allow for the safe and secure operation of housing units at each prison regardless of minor population changes. As stated in the Blueprint:

“The Department assembled a team of correctional experts to review the custody and non-custody positions in each prison. Standardized staffing recognizes the need for a specific staff complement based on the housing unit design and achieves savings while maintaining a safe prison environment. Standardized staffing does not address medical and custody staff associated with the delivery of medical services as those positions are undergoing a separate review by the Receiver. This effort provides a centralized management evaluation of all the positions based on each prison’s physical plant design, inmate classification levels, perimeter security, inmate programming opportunities, and daily operational timelines (feeding, medication distribution, education). The staffing patterns are based on specific criteria that take into account specialized missions, such as security housing units and mental health treatment. By redistributing resources, standardized staffing will resolve historical variances.”

The Office of the Inspector General was tasked with monitoring and reporting on the Department’s compliance with various aspects of the Blueprint. In its March 2015 report related to standardized staffing, the Inspector General found that the Department complied with budgeted staffing levels at the prisons by July 2013. Additionally, the Inspector General reviewed custody staffing patterns and determined that the Department had a 100 percent adherence rate, indicating that the daily staffing patterns matched the standardized staffing plan at each institution. As a result, the Inspector General will no longer continue monitoring compliance with this aspect of the Blueprint.

HEALTH CARE

The reduction in the inmate population and additional health care investments resulted in an improvement in the Department’s ability to deliver quality health care. Therefore, the Department set several goals specific to the provision of health care in state prisons:

- *Revise the mental health bed plan to account for fewer inmates requiring mental health treatment.*

The Department began implementing the planned mental health housing changes, but had to adjust the plan because the number of inmates requiring mental health treatment did not decrease at the levels anticipated in the Blueprint. In 2012-13, the average total inmate population requiring mental health treatment was approximately 33,600 (equivalent to 25 percent of the population), whereas in December 2015 the average total inmate population requiring mental health treatment was approximately 36,800 (29 percent). Although it is not exactly clear what is driving the increase in the number of inmates requiring mental health treatment, one potential reason is with fewer total inmates in prison and increased staff, the Department is better able

to assess, diagnose and respond to mental health treatment needs. The Department has made many changes to accommodate the larger mental health population and continues to monitor housing needs and make adjustments as necessary.

- *Continue court-approved mental health treatment delivery program.*

The Department continues to make strides in creating a stronger mental health care system and providing a constitutional level of care to inmates with mental illness. The Department has focused efforts on clinical staffing, creation of a quality management system, suicide prevention, improving conditions of confinement for patients in segregated housing, reducing the number of use of force incidents, and identifying and appropriately moving inmates to higher levels of care.

- *Improve health care facilities to provide necessary infrastructure for the provision of efficient services, and renovate and open the California Health Care Facility in Stockton.*

The State has long recognized the need to improve prison infrastructure, both in terms of adding beds for inmates with medical or mental health needs, as well as renovating medical, mental health, and dental clinic space. Chapter 7, Statutes of 2007 (AB 900), referred to as the Public Safety and Offender Rehabilitation Services Act of 2007, set aside funding to provide construction and clinical upgrades for these beds.

AB 900 funding was used to construct the California Health Care Facility in Stockton which opened in July 2013, and renovation of its annex was completed and the facility was activated in April 2014. The California Health Care Facility consists of medical and mental health beds for inmates with complex medical and mental health needs, and its annex houses inmates with a lower level of health care needs, as well as inmate workers. The facility is designed to house 2,951 inmates.

AB 900 also included funding for the Health Care Facility Improvement Program to improve treatment and clinic space at the remaining institutions. The Receiver developed a plan to improve treatment and clinic space at all institutions starting with construction at San Quentin in 2007. However, the Health Care Facility Improvement Program did not include the California Rehabilitation Center, which was slated for closure at the time of the Blueprint. The Department is well underway in the process of planning, designing, and constructing each prison project. Completion of the Health Care Facility Improvement Program is scheduled for 2017-18.

- *Implement medical classification system for appropriate housing.*

One of the broader health care initiatives that began in 2011 was the medical classification of inmates. While all prisons are equipped to meet the health care

needs of the patient population, not all institutions (especially in remote locations) are able to access contract specialists in the community. As a result, inmates were provided with a housing designation based on their medical risk, and prisons were also assigned designations to allow for the placement of inmates in facilities that could best meet their medical needs. Inmates are classified based on various medical factors including, but not limited to: level of care, functional capacity, medical risk, nursing care acuity, and Valley Fever restrictions. Inmates are now generally designated to be low, medium or high risk, and prison facilities are designated as basic or intermediate. This allows the Department to more appropriately house and respond to inmate medical needs.

Over time, the Department anticipates the designation of facilities will require further change to recognize the varied needs of an aging prison population. While there are currently eleven prisons designated for inmates with “intermediate” medical needs, it may be necessary to expand this designation to additional prisons and further evaluate departmental needs.

- *Continue Office of the Inspector General medical inspection audits to monitor litigation compliance.*

The Receiver has worked closely with the Administration and other stakeholders to successfully address the vast majority of deficiencies identified by the court. As a result of that success, on March 10, 2015, the court issued an order that outlined the process for transitioning medical care from the Receivership back to the Department.

The March 10 order outlines a transition plan that is very similar to the successful model that resolved the dental lawsuit under *Perez v. Brown* by focusing on the transition of medical care back to the Department one prison at a time.

The Office of the Inspector General’s role in the transition process is to provide an independent assessment of prison medical operations. The Office of the Inspector General completes a prison medical inspection that provides both a quantitative and qualitative assessment of a prison’s health care performance and provides a rating of either proficient, adequate, or inadequate. After the assessment is completed, the Receiver considers the Office of the Inspector General’s report, as well as data from the “Dashboard” published monthly by the Receiver and other monitoring tools. If the Receiver determines that an institution has achieved an acceptable level of health care delivery, he will execute a “revocable delegation of authority” to the Secretary of the Department to take over management of that institution’s medical care. The Receiver’s delegation will create a rebuttable presumption that medical care provided in the prison is constitutionally adequate. The Receiver delegated authority for Folsom State Prison in July 2015, and the Office of the Inspector

General is continuing inspections at other prisons. The 2015 Budget Act provided the Office of Inspector General with the resources necessary to complete these initial reviews by June 2016, and annually thereafter.

To date, the Department has regained control of one prison and two areas of headquarter operations. The state plans to continue addressing issues needed to expedite the transition of medical care back to the Department.

- *Work with Receiver to modify the medical delivery system to account for the reduced population and increase efficiencies to reduce inmate medical care costs.*

As the population of the Department has changed in recent years, the needs of its patients have as well, with many requiring a more intense level of treatment and monitoring. The Department and the Receiver have worked to develop systems that meet these needs. Most recently, the Receiver started implementing the Electronic Health Record System. The Electronic Health Record System allows providers access to needed information, provide treatment, maintain or strengthen continuity of care, work more cohesively with other treatment team members and monitor patient progress more efficiently. Experience with the first institutions of the roll-out has shown that initially the new Electronic Health Record System decreases productivity as clinicians learn the system and new work flows. However, as clinicians become more familiar with utilizing the system, productivity increases and further efficiencies may be realized. It is expected that the system will lead to better individualized care and a more robust health care system. As the needs of the patient population shift, and as the population ages, the Electronic Health Record System will provide data that will be useful in managing patient care. These data will be collected and employed when making future organizational decisions and the Electronic Health Record System is expected to lead to a more efficient and effective care model.

- *End oversight in the dental care class action litigation (Perez v. Brown)*

The Department had been involved in litigation related to the provision of dental care, in *Perez v. Brown*. On May 1, 2006, the court certified the class for purposes of settlement and for the remedial phase of the litigation and issued its preliminary approval order as to the settlement. In August 2006, the Department and plaintiffs entered into a stipulated agreement that outlined the remediation necessary to obtain compliance, such as adequate staffing to deliver care, adequate and timely access to care and the proper environment for the delivery of care. In August 2012, the parties agreed to terminate the case with the provision that certain construction for dental clinics be finished, which the Department anticipates will be completed in 2016.

GANG MANAGEMENT

In the Blueprint, the Department committed to implementing recommendations from a 2007 study titled “Security Threat Group Identification and Management.” The study recommended that the department employ several measures, including:

- Offer graduated housing and privileges as incentives for positive behavior, and impose consequences for gang-related behaviors.
- Offer a step-down program for inmates to work their way from a restricted program back to a general population setting.
- Provide support and education for inmates seeking to disengage from gangs.
- Employ a weighted point system to enhance the integrity of the gang validation process.
- Use segregated housing only for those gang associates and suspects who engage in additional serious disciplinary behavior.
- Offer programs designed to promote social values and behaviors in preparation for an inmate’s return to the community.

The Blueprint estimated that, as a result of this effort, the Department would have a decreased need for segregated housing for gang members. As discussed further in Section 4, the Department has expanded on these efforts and is implementing broader reforms as part of the *Ashker v. Brown* settlement. These changes are resulting in thousands of segregated housing beds being converted to general population beds.

SECTION TWO: UPDATE ON OTHER DEPARTMENT PROGRAMS

BOARD OF PAROLE HEARINGS

There have been many changes to the Board's workload since 2011 Public Safety Realignment was enacted. The most significant change was the transferring of the state's parole revocation process from the Board to the state's trial court system. The Board previously handled approximately 6,000 revocation proceedings per month. The Board's main function now is to conduct parole suitability hearings for long-term inmates to determine if they should be released on parole. Prior to 2014, the Board conducted parole hearings only for indeterminate-sentenced inmates ("lifers"). As a result of changes in law and the three-judge court order, the Board now also conducts parole suitability hearings for certain determinately-sentenced inmates.

As required by Chapter 312, Statutes of 2013 (SB 260), the Board of Parole Hearings implemented the Youth Offender Parole Program, which provides youth offender parole hearings for specified offenders who were convicted of a crime prior to their 18th birthday and sentenced to state prison. This program was further expanded by Chapter 471, Statutes of 2015 (SB 261), by increasing eligibility to those convicted of a crime committed before the age of 23. An inmate is eligible for a youth offender parole hearing during the 15th year of their sentence if they received a determinate sentence; 20th year if their controlling offense was less than 25 years to life; and during the 25th year if their controlling offense was 25 years to life. Inmates who were immediately eligible for a youth offender hearing when SB 260 took effect on January 1, 2014, were required to have their hearing by July 1, 2015. Those with an indeterminate sentence who were immediately eligible for a youth offender parole hearing on January 1, 2016, as a result of SB 261 are required to have their hearing completed by January 1, 2018. Determinately-sentenced offenders immediately eligible as a result of SB 261 are required to have their hearing before December 31, 2021. The Budget includes \$3.7 million to implement the expanded Youth Offender Parole Program. Youthful offenders are eligible for parole consideration regardless of whether they are serving an indeterminate or determinate sentence.

The three-judge court order established the elderly parole program which allows inmates who are age 60 or older and who have served 25 years of continuous incarceration to be considered for parole at a parole suitability hearing. Offenders who are eligible for elderly parole are eligible for parole consideration regardless of whether they are serving an indeterminate or determinate sentence. The number of inmates who will be eligible for a hearing under the elderly parole program will increase significantly over the next ten years.

SECTION TWO | UPDATE ON OTHER DEPARTMENT PROGRAMS

In 2015, the Board scheduled 5,300 hearings, 959 of which were for youthful offenders and 1,012 were for inmates eligible for elderly parole. Offenders sentenced to life without the possibility of parole or condemned inmates are not eligible to apply for youthful offender or elderly parole.

The federal court order also mandated that the state expand its process for placing permanently incapacitated inmates on medical parole and create a parole process for non-violent second-strike offenders. The Board began to conduct hearings under “expanded medical parole” in July of 2014. As of December 9, 2015, the Board has held 61 expanded medical parole hearings. The new parole process for non-violent second-strike offenders began January 1, 2015, and by the end of November 2015, 3,567 inmates were referred to the Board for review for parole under the new process and the Board approved 1,472 for release.

The Board has also implemented new processes required by Marsy’s Law (as interpreted by the California Supreme Court in 2013 in *In re Vicks*) for the Board to advance an inmate’s next parole hearing date if there is new information or a change in circumstances resulting in a substantial likelihood that additional incarceration is no longer necessary to protect public safety. As a result, the Board advanced parole hearing dates for 1,025 inmates in 2015.

In addition, inmates who were sentenced under the state’s Three-Strikes Law (enacted in 1994) will begin to receive parole hearings in 2019, after having served their mandatory minimum of 25 years, as required by the Three-Strikes Law. Looking forward, the Board will continue its mission of protecting public safety with transparency and efficiency.

DIVISION OF JUVENILE JUSTICE

Beginning in 2001, the Division of Juvenile Justice faced significant scrutiny for being overcrowded and having violence in its facilities. During that time, outside experts reviewed the Division’s policies and procedures and conditions of confinement. The experts issued six reports on the following topics: education, sex behavior treatment, health care, mental health care, wards with disabilities, and the safety and welfare of the youth, finding major deficiencies in all of these areas. These reports were used in a lawsuit against the state in 2003 (*Farrell v. Brown*), which resulted in the state agreeing to a consent decree on the matter in 2004. These reports also became the basis of six remedial plans that the Division of Juvenile Justice has used to reform the state juvenile justice system.

Several legislative changes were implemented that dramatically reduced the Division of Juvenile Justice population from around 3,000 in 2005 to approximately 700 youth in the

system today. The 2012 Budget Act ended juvenile parole effective July 1, 2013, changed the age of jurisdiction from 25 to 23, and implemented a new fee structure to charge counties \$24,000 per year for each offender committed by a juvenile court to the Division of Juvenile Justice on or after July 1, 2012.

Concurrent with the decrease in the juvenile population, the Division worked diligently to not only meet the requirements of the remedial plans, but to completely reform itself in a sustainable manner. The Department has been dismissed from all remedial areas except for mental health care and only three items of the safety and welfare remedial plan, which in the *Farrell* lawsuit is the largest remedial plan covering every aspect of safety and conditions of confinement for youth housed in the Division of the Juvenile Justice. These dismissals indicate the court's recognition of the Department's ability to operate safe juvenile facilities in a responsible manner.

In addition to its actions under the *Farrell* lawsuit, the Department is also taking steps to revamp the Juvenile Parole Board. The Board currently hears only discharge reviews which are conducted by one Commissioner and two Board Representatives. By only participating in discharge reviews, the Board does not have other opportunities to familiarize themselves with the youth and better prepare the youth for discharge review. To help address these issues, the Budget proposes statutory language to revamp the makeup of the Juvenile Parole Board. Specifically, the language proposes to reduce the statutorily authorized number of Juvenile Parole Board Commissioners from five to three. The other two Commissioners will be moved to hear adult matters. The language also proposes to establish an Executive Director position to oversee operations of the Juvenile Parole Board.

In addition, the Department may seek other legislative changes to give the Juvenile Parole Board more opportunities to provide meaningful input in the discharge review process.

Today, the reformed Division of Juvenile Justice provides education and treatment to California's youth offenders who have the most serious criminal backgrounds and the most intensive treatment needs. The framework for the Division's programs is the Integrated Behavior Treatment Model, which is a cognitive behavior approach to assessing, understanding and treating youth. It is designed to reduce institutional violence and future criminal behavior by teaching anti-criminal attitudes and providing personal skills for youth to better manage their environment. The Division provides academic and vocational education; treatment programs that address violent and criminogenic behavior, sex offender behavior, substance use disorders, and mental health; and medical care, while maintaining a safe and secure environment conducive to learning.

ADMINISTRATION

Succession Planning and Retention

Like most entities throughout state government, retention and succession planning has been an ongoing challenge for the Department. Succession planning provides the ability to forecast future workforce needs and develop strategies to promote a talented, competent workforce, and to mitigate the loss of institutional knowledge through attrition. The Department is currently underprepared for the impending retirement of highly skilled and experienced custody and technical supervisors, managers, and executives and previous efforts have not been robust enough to address the problem. The Department currently has 7,465 employees in supervisory, managerial and exempt classifications. Recent data show that approximately 74 percent of those employees will be at or reach retirement age in the next ten years. Furthermore, of the 74 percent, approximately 71 percent of those employees will be at or will reach retirement age in the next five years.

To address this issue, the Department will work with other agencies to design staff development programs. Specifically, the Department plans to create improved leadership training curricula which will enhance leadership skills and support continuous organizational development. The training will focus on executives as well as prepare employees for positions such as Warden and Superintendent. This training is imperative to prepare the Department's supervisory and managerial staff to assume executive-level positions as more executives retire. An effective succession management plan will help prepare staff to be successful future leaders.

Correctional Officer Academy

The Department has made concerted efforts to recruit qualified correctional officer candidates to fill vacancies to enhance the safety of the institutions and the public. The Department participated in approximately 400 recruiting events in 2015 and completed other hiring efforts utilizing promotional videos, advertisements, and outreach—particularly in communities where prison vacancies are difficult to fill. In addition, in 2015, the Department focused recruitment efforts on military veterans. The recruitment efforts contributed to the Department receiving 38,706 correctional officer applications in 2015. Also in 2015, the Department's correctional officer academy was able to graduate 2,542 cadets for a graduation rate of 94 percent.

SECTION THREE: INMATE POPULATION AND DEPARTMENT BUDGET

The Blueprint estimated substantial reductions to both the Department's adult inmate population and the departmental budget. Due to several complex factors, population and budget reductions did not materialize to the level estimated in the Blueprint. Further court orders ultimately defined the final population cap at 137.5 percent of design capacity and Chapter 310, Statutes of 2013 (SB 105), outlined the state's path to successfully reduce population below the cap. These court orders, legislative changes, and unanticipated population trends all impacted the Department's ability to meet the Blueprint population and budget estimates.

CAPACITY AND POPULATION REDUCTION MEASURES

Prior to the February 2014 court order extending the deadline, the state was facing imminent and large-scale early releases to meet the 137.5-percent population cap. SB 105 was enacted in September 2013 as the state's solution to more expeditiously establish capacity and avoid early releases. SB 105 and the court-ordered population reduction measures had significant impacts on the inmate population and the Department's capacity.

Senate Bill 105

SB 105 stated the following legislative intent:

"The additional prison capacity and change to reduce prison population authorized by this act are immediate measures to avoid early release of inmates and allow the state to comply with the federal court order. This act will also provide time to develop additional thoughtful, balanced, and effective long-term solutions with input from the state's local government and justice partners who are still adjusting to the recent criminal justice reforms of Realignment. The long-term changes will build upon the transition of lower level offenders to local jurisdictions, the construction of new prison health care facilities, and improvements to existing health care facilities throughout the prison system."

This bill also mandated that the Department of Finance submit a report on the above directives by January 2015, which can be found here: http://www.dof.ca.gov/budget/historical/2015-16/documents/2015_SB-105_Report_revised.pdf. The bill authorized the below measures to allow the California Department of Corrections and Rehabilitation to immediately meet the mandates of the court-ordered population cap, but also sunset these provisions on December 31, 2016.

SECTION THREE | INMATE POPULATION AND DEPARTMENT BUDGET

- *Private In-State Contract and Waivers*

Authorizes the Secretary of the Department to enter into agreements with private entities to obtain secure housing capacity within the state, and for purposes of such contracts, waives all processes, regulations, and requirements, including state governmental reviews and approvals or third-party approvals required under statute to allow the Department to more swiftly establish such contracts.
- *Private Out-of-State Contracts and Waivers*

Authorizes the Secretary of the Department to enter into agreements with private entities to obtain secure housing capacity outside of the state, and for purposes of such contracts, waives all processes, regulations, and requirements, including state governmental reviews and approvals or third-party approvals required under statute to allow the Department to more swiftly establish such contracts.
- *Consent for Out-of-State Transfers*

Authorizes the Department to transfer an inmate to an out-of-state facility without the inmate's consent. Absent this authority, inmates must consent to the transfer to an out-of-state facility.
- *Community Correctional Centers Contracts and Waivers*

Authorizes the Secretary of the Department to enter into agreements for the transfer and placement of inmates in community correctional centers, and for purposes of such contracts, waives all processes, regulations, and requirements, including state governmental reviews and approvals or third-party approvals required under statute to allow the Department to more swiftly establish such contracts.
- *California Rehabilitation Center*

Modifies uncodified language included in Chapter 42, Statutes of 2012 (SB 1022), that required the closure of the California Rehabilitation Center upon the completion of specified infill construction or by December 31, 2016, to suspend that requirement and only allow closure of that facility upon a determination by the California Department of Corrections and Rehabilitation and the Department of Finance that it can be closed.

Three-Judge Court

On February 10, 2014, the three-judge court granted the state's request for a two-year extension of the deadline to meet the 137.5-percent population cap. The court ordered the state to comply with the population cap by February 28, 2016, and also ordered the state to

implement several population reduction measures. In implementing the below measures, the court waived all regulations and state laws that would impede their implementation, and as of the most recent status update to the court on December 15, 2015, these changes have impacted the population as noted below.

- *Increase credit earning for certain non-violent second-strike offenders and minimum custody inmates.*

Non-violent, non-sex registrant second-strike offenders are authorized to earn credits at 33.3 percent rather than the 20 percent earning rate in current statute, and are also eligible to earn milestone credits.

Additionally, certain minimum custody inmates who were previously earning day-for-day credits per statute are currently earning 2-for-1 credits. Since January 1, 2015, 2,684 inmates have had advanced releases from expanded 2-for-1 earnings. These credits are being applied prospectively to the 725 inmates who are currently eligible under this program.

- *Create and implement a new parole determination process for eligible non-violent second-strike offenders who have completed 50 percent of their sentence.*

Eligible non-violent second-strike offenders who have served 50 percent of their total sentence are being referred to the Board of Parole Hearings for potential release. From January 1, 2015 through November 30, 2015, 3,567 eligible inmates were referred to the Board for review. The Board has approved 1,472 of those inmates for release.

- *Parole certain inmates serving indeterminate sentences who have already been granted parole but have future parole dates.*

Inmates who have been granted parole by the Board of Parole Hearings but who have future release dates are being released after appropriate levels of review. This provision has subsequently been made permanent in Chapter 470, Statutes of 2015 (SB 230).

- *In consultation with the Receiver's Office, finalize and implement an expanded parole process for medically incapacitated inmates.*

The Department works with the Receiver's Office to evaluate potential cases to refer to the Board of Parole Hearings for review under newly revised procedures that expand medical parole eligibility. The medical parole program under existing law limits eligibility to those inmates who are permanently medically incapacitated with a medical condition that renders them permanently unable to perform activities of basic daily living resulting in the inmate requiring 24-hour care. Under the expanded medical parole program, inmates may qualify if they suffer from a significant and

SECTION THREE | INMATE POPULATION AND DEPARTMENT BUDGET

permanent condition, disease, or syndrome, resulting in the inmate being physically or cognitively debilitated or incapacitated. The Board has held 61 hearings under the expanded criteria.

- *Finalize and implement a new parole process for certain elderly inmates.*

Under the current court order, the Board of Parole Hearings is required to finalize and implement a new parole process for inmates who are 60 years of age or older and have served a minimum of 25 years of their sentence. The Board is currently scheduling inmates who are not already in the hearing cycle, as well as regularly hearing inmates who are in the cycle and are eligible under the provisions of elderly parole. From February 11, 2014 through November 30, 2015, the Board has held 1,028 hearings for inmates who are eligible for elderly parole, resulting in 275 grants of parole.

- *Pursue expansion of pilot reentry programs with additional counties and local communities.*

The Department is required to pursue an expansion of pilot reentry programs with additional counties and local communities. To date, the Department has contracts to house 220 inmates in community reentry facilities. The Budget includes \$32.1 million to continue the community reentry program and assumes a total of 680 beds by December 2016. Reentry programs link offenders to a range of community-based, rehabilitative services that assist with substance use disorders, mental health care, medical care, employment, education, housing, family reunification, and social support.

- *Implement an expanded alternative custody program for women.*

The Department is required to implement an expanded alternative custody program for female inmates. The Department operates both the Alternative Custody Program and the court-ordered Enhanced Alternative Custody Program (also known as the Custody to Community Transitional Reentry Program). These programs allow eligible inmates to serve the end of their sentences in the community and provide various rehabilitative services to assist in successful reentry into society. Both programs are voluntary and require participants to apply. The original Alternative Custody Program, established by Chapter 644, Statutes of 2010 (SB 1266), is currently restricted to female offenders with non-serious and non-violent convictions. Alternative Custody Program participants can be placed on home detention, in a private treatment facility, or a parolee bed (if available), up to two years prior to their release. The Department is proposing to modify the time frame to one year and to expand the program to eligible male offenders to comply with the *Sassman v. Brown* lawsuit.

SECTION THREE | INMATE POPULATION AND DEPARTMENT BUDGET

The court-ordered Enhanced Alternative Custody Program allows eligible female offenders with serious and violent convictions who are within two years of their release to serve the remainder of their sentence in a community reentry facility while receiving a range of rehabilitative services. The Department has opened three new secure facilities under the court-ordered Enhanced Alternative Custody Program, with a fourth facility expected to open in the spring.

In addition to the population reduction measures, the court ordered that the Department remain under the jurisdiction of the court for as long as is necessary to demonstrate that compliance with the final benchmark of 137.5 percent of design capacity has been firmly established by the Department as durable. The Department has already attained the population reductions necessary to meet the February 28, 2016 deadline, but must continue to rely on the use of out-of-state and in-state contract beds to sustain compliance. The Department continues to monitor and adjust the system-wide capacity and housing needs to maintain compliance.

Current Capacity

The final population cap of 137.5 percent equates to an inmate population cap of 116,989, which includes the infill projects at Mule Creek State Prison and Richard J. Donovan Correctional Facility. The Department also has 4,680 fire camp beds that are not included in the prison capacity noted above. The largest sources of occupied bed space, outside of the Department's adult institutions, is the use of 4,900 out-of-state contract beds, 4,115 in-state contract beds, and the leasing of 2,381 beds at California City Correctional Facility.

The Department's total adult inmate population as of December 9, 2015, was 127,468, of which 112,510 were housed in the Department's adult institutions, and the remaining 14,958 were housed in fire camps or contract beds. The December 9, 2015 institution population was 136.0 percent of design capacity, or 1,212 inmates below the 137.5-percent population cap based on currently constructed capacity. While the activation of three infill facilities will add capacity of 3,267, fall 2015 population projections estimate the total inmate population will increase to 131,092 by June 2020, an increase of 3,624 inmates over the December 9, 2015 population. Therefore, without further population reduction measures or capacity, the state will not be able to further reduce the use of contract beds, or close state-owned facilities.

INMATE POPULATION

Despite the impact of the court-ordered population reduction measures and Proposition 47, since the SB 105 Final Report, there have only been minor changes in the overall offender demographics of the prison system. As reflected in Figure 1, on September 30, 2015, there were 103,397 inmates (80.2 percent of the total population) serving a sentence for a violent or serious crime. An additional 16,811 inmates (13.1 percent of the total population) were serving a sentence for a non-serious, non-violent crime, but have a prior conviction for a violent or serious crime. In total, at least 93.3 percent of the prison population has a history of committing a violent or serious crime. The remaining 6.7 percent (8,635) of inmates are in prison despite not having a current or prior serious or violent offense.

Nearly 26 percent of the prison population (33,020) is serving a sentence for assault/battery. The next highest proportion of inmates are serving terms for first degree murder, second degree murder, manslaughter, or vehicular manslaughter (21.3 percent, 27,326).

As of September 2015, there were approximately 37,000 state inmates (29 percent of the Department's population) with mental illness, approximately 1 percent had inpatient mental health needs and 28 percent had outpatient mental health needs. The proportion of the inmate population with mental illness continues to grow. In September 2012, there were 33,361 inmates with a mental illness.

SECTION THREE | INMATE POPULATION AND DEPARTMENT BUDGET

Figure 1

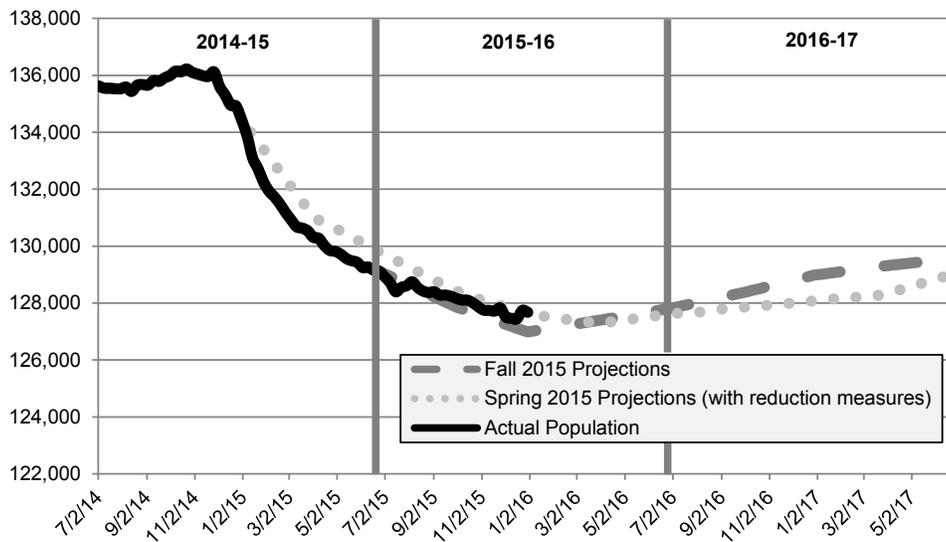
California Department of Corrections and Rehabilitation Offender Demographics

Characteristics	9/30/2015	
	Number	Percent
Admission Status		
New Admission	105,330	81.8%
Parole Violator-With New Term	23,486	18.2%
Parole Violator-Returned to Custody	27	0.0%
Sex Registrant		
No	106,237	82.5%
Yes	22,606	17.6%
Serious/Violent		
No Current or Prior Serious/Violent	8,635	6.7%
Current Serious/Violent, No Prior Serious/Violent	68,859	53.4%
Prior Serious/Violent, No Current Serious/Violent	16,811	13.1%
Current Serious/Violent and Prior Serious/Violent	34,538	26.8%
Sentence Type		
Determinate Sentencing Law	55,505	43.1%
3rd Striker	6,966	5.4%
2nd Striker	33,118	25.7%
Lifer	27,500	21.3%
Life Without Parole	5,012	3.9%
Death Row	742	0.6%
Controlling Offense		
Crimes Against Persons	100,873	78.3%
Property Crimes	14,052	10.9%
Drug Crimes	5,977	4.6%
Other Crimes	7,941	6.2%
Offense Group		
Murder 1st	14,703	11.4%
Murder 2nd	7,808	6.1%
Manslaughter	4,097	3.2%
Vehicular Manslaughter	718	0.6%
Robbery	23,405	18.2%
Assault Deadly Weapon	14,330	11.1%
Other Assault/Battery	18,690	14.5%
Rape	2,732	2.1%
Lewd Act With Child	9,346	7.3%
Oral Copulation	513	0.4%
Sodomy	121	0.1%
Penetration With Object	274	0.2%
Other Sex Offenses	2,307	1.8%
Kidnapping	1,829	1.4%
Burglary 1st	7,073	5.5%
Burglary 2nd	1,618	1.3%
Grand Theft	761	0.6%
Petty Theft With Prior	174	0.1%
Receiving Stolen Property	774	0.6%
Vehicle Theft	1,706	1.3%
Forgery/Fraud	718	0.6%
Other Property Offenses	1,228	1.0%
Possession of Controlled Substance	1,437	1.1%
Possession of Controlled Substance For Sale	3,119	2.4%
Sales of Controlled Substance, Etc.	638	0.5%
Manufacturing Controlled Substance	64	0.1%
Other Controlled Substance	434	0.3%
Hashish Possession	4	0.0%
Marijuana Possession For Sale	173	0.1%
Marijuana Sales	80	0.1%
Other Marijuana Offenses	28	0.0%
Escape	109	0.1%
Driving Under The Influence	1,381	1.1%
Arson	381	0.3%
Possession of Weapon	3,723	2.9%
Other Offenses	2,347	1.8%

Fall 2015 Population Projections

The fall 2015 population projections estimate that the adult inmate population will decrease gradually through June 30, 2016, when it is anticipated to reach 127,815. Specifically, from June 30, 2015 to June 30, 2016, the institution population is projected to decrease by 0.8 percent (1,085 inmates) followed by an increase of 1.4 percent (1,775 inmates) from June 30, 2016 to June 30, 2017 (see Figures 2 and 3). Between June 30, 2014 and June 30, 2016, it is estimated that the adult inmate population will have decreased by approximately 7,700 inmates. While there are many factors influencing population trends, this decrease was primarily driven by the implementation of the three-judge court-ordered population reduction measures and Proposition 47. It is currently estimated that these efforts had a combined effect of reducing the adult inmate average daily population by approximately 8,700 offenders in 2015-16.

Figure 2
**California Department of Corrections and Rehabilitation
 Division of Adult Institutions
 Adult Inmate Population Projections vs. Actuals**



At the time Proposition 47 passed, the Department was implementing other population reduction measures, most of which were court-ordered. Proposition 47 accelerated the scheduled release of many offenders and it is estimated that the 2015-16 average daily inmate population will be reduced by approximately 4,700 as a result of resentencing and avoided new admissions. Combined, Proposition 47 and these other measures reduced the average daily inmate population by approximately 8,700. Ultimately, the effects of the resentencing

SECTION THREE | INMATE POPULATION AND DEPARTMENT BUDGET

component (retroactive impact) of Proposition 47 will no longer impact the average daily population as those inmates would have eventually reached their natural release date, but the impact of avoided commitments (prospective impact) is assumed to continue indefinitely and is currently estimated to reduce the average daily inmate population by about 3,500. The population impacts resulting from Proposition 47 will be further refined as more data become available.

Because a longer-term increase in court commitments is expected, the projected population is anticipated to increase in each of the next four years to 131,092 on June 30, 2020 (see Figure 3). Given the magnitude of recent changes ordered by the three-judge court and Proposition 47, and the potential for unknown future changes to the correctional system, projections beyond a two-year horizon should be interpreted with caution.

Figure 3

Adult Inmate Population				
June 30	Female	Male	Total	Percent Change
Actual				
2006	11,749	160,812	172,561	
2007	11,888	161,424	173,312	0.4%
2008	11,392	159,581	170,973	-1.3%
2009	11,027	156,805	167,832	-1.8%
2010	10,096	155,721	165,817	-1.2%
2011	9,565	152,803	162,368	-2.1%
2012	6,409	128,829	135,238	-16.7%
2013	5,919	126,992	132,911	-1.7%
2014	6,216	129,268	135,484	1.9%
2015	5,632	123,268	128,900	-4.9%
Projected				
2016	5,501	122,314	127,815	-0.8%
2017	5,540	124,050	129,590	1.4%
2018	5,542	124,899	130,441	0.7%
2019	5,534	125,460	130,994	0.4%
2020	5,519	125,573	131,092	0.1%

DEPARTMENT BUDGET

The Blueprint anticipated that as a result of Realignment and the additional changes made in the Blueprint, budgetary savings would be achieved. Cost avoidance was also anticipated, which included elimination of \$4.1 billion in bond authority and avoiding the need to build new prisons. At the time of the Blueprint, it was expected that the Department's pre-Realignment operations would be reduced by \$1.5 billion by 2015-16. However, it is important to note that the Blueprint did not estimate that the Department's budget would be \$1.5 billion lower in 2015-16 than pre-Realignment. For example, it was always anticipated that the Department's budget would increase due to the activation of the California Health Care Facility which was not fully budgeted pre-Realignment. Additionally, it was assumed that the Department's budget would increase for employee compensation and employer retirement contributions. The Blueprint savings estimates were compared to functions already included in the Department's budget at the time of the Blueprint, not necessarily a projection of the Department's total budget into the future.

With the release of each Governor's Budget and May Revision, the Department of Finance completes multi-year forecasts. Department-specific General Fund forecasts do not include lease revenue debt service and Proposition 98 funding, or estimates for growth in employee compensation and retirement (lease revenue debt service, employee compensation, and retirement are estimated on a statewide basis). Prior to the implementation of Realignment and the Blueprint, the multi-year forecast for the Department of Corrections and Rehabilitation estimated \$10.3 billion for 2016-17. After adjusting the forecast for the components excluded from the estimate—the 2016-17 budget for lease revenue debt service (\$430.3 million) and Proposition 98 (\$19.2 million), and increases in employee compensation and retirement since 2011-12 (\$880 million)—the pre-Realignment forecast would have totaled \$11.6 billion. The current 2016-17 Budget of \$10.3 billion is \$1.3 billion less than the pre-Realignment, pre-Blueprint multi-year forecast for the Department of Corrections and Rehabilitation.

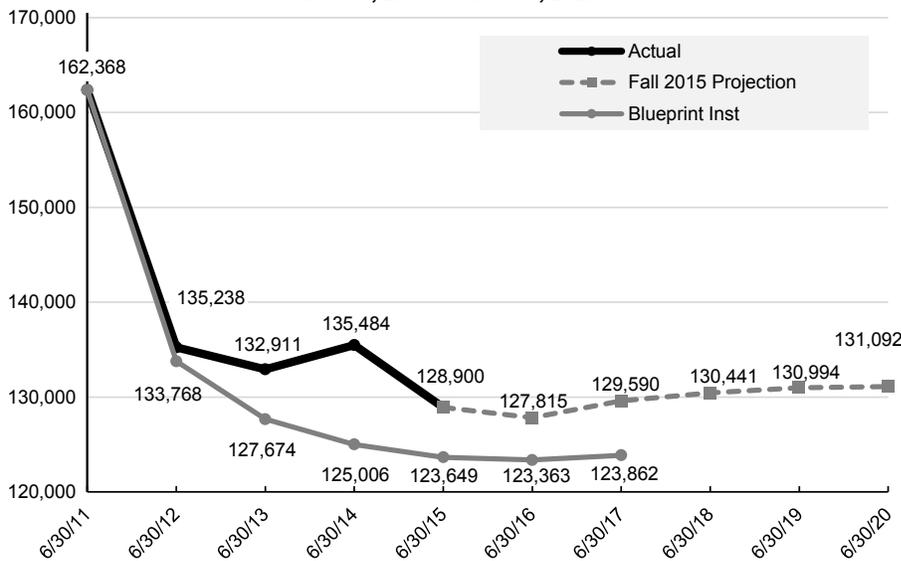
Additionally, since 2012-13 the Department's General Fund budget has not increased at the same rate as other departments. As of the 2012 Budget Act, the Department accounted for 9.7 percent of total General Fund spending. As of the 2016-17 Budget, the Department accounts for 8.4 percent of total General Fund spending, a decrease of 1.3 percent.

The activation of the California Health Care Facility, employee compensation increases, and employer retirement contribution increases would not be considered examples of erosions to Blueprint savings, but there were direct erosions to savings estimates included in the Blueprint.

Blueprint Population Projections

The Blueprint housing plan and budget savings estimates were based on population estimates that were understated by over 14,000 inmates. Housing this unexpected population drove additional costs not factored into the Blueprint savings estimates. On April 25, 2012, the adult inmate population was 137,761, of which 123,287 were housed in state prisons (154.8 percent of then design capacity). The spring 2012 population projections estimated the total inmate population would decrease to 133,768 by June 30, 2012, and 127,674 on June 30, 2013, and would continue to decrease to 123,862 inmates by June 30, 2017. However, the actual population numbers deviated from those projections used in the Blueprint (see Figure 4). The fall 2015 projections now estimate a total adult inmate population of 129,590 by June 30, 2017. This is an increase of 5,728 inmates despite the implementation of the court-ordered population reduction measures and Proposition 47 that had a combined impact of approximately 8,700.

Figure 4
Total Institution Population
June 30, 2011 - June 30, 2020



Capacity to Comply with Court-Ordered Cap

At the time of the Blueprint, the Department was housing approximately 9,500 offenders out-of-state and the Department’s base budget included \$318 million for up to 11,800 due to an estimated need pre-Realignment. The Blueprint called for the elimination of the use of all out-of-state contract facilities by the end of 2015-16. Additionally, the Blueprint estimated the Department would rely on 1,825 in-state contract beds to comply with the population cap.

Based on the Blueprint population projections, it was anticipated that the Department would not meet the court's final benchmark of 137.5 percent of design capacity by June 2013. However, alongside the numerous improvements detailed and anticipated by the Blueprint, it was assumed that the "additional measures proposed in this plan will allow the state to seek and obtain from the court a modification to raise the final benchmark to 145 percent of design capacity. Otherwise, alternatives such as continuing to house inmates out-of-state will have to be considered."

As previously discussed, the court did not amend the cap to 145 percent of design capacity. Based on the current institution design capacity of 82,707, the 145-percent population cap would have allowed the Department to house 119,925 offenders in state prisons, or 6,203 more offenders than the final 137.5-percent population cap.

Because the state was unable to house these 6,203 offenders in the Department's institutions and because population increased by 5,728 offenders over Blueprint projections for June 30, 2017, the state had to fund alternative capacity for 11,931 offenders.

The Budget includes a combined total of approximately \$385 million in 2016-17 to house 4,115 inmates at in-state contract facilities, 4,900 at out-of-state contract facilities, and 2,381 at a leased facility in California City. This is an increase of approximately \$332 million over the amount estimated in the Blueprint for the housing of 1,825 offenders at in-state contract facilities.

Budgetary Increases Since Publishing the Blueprint

Since publishing the Blueprint, there have been many comparisons between the Department's current budget and the Department's 2012-13 Budget. The Budget is approximately \$1.5 billion higher than the 2012 Budget Act. While there have been many adjustments over this time period, most adjustments can be categorized into four main areas of budget growth (see Figure 5).

Employee Compensation and Retirement

Since the 2012 Budget Act, the Department's budget has increased by \$835 million as a result of higher employee compensation and retirement costs. During this time, employees in all bargaining units within the Department have received compensation increases. Of the \$835 million, \$345 million is directly tied to increases in the employer contribution rates for retirement benefits for all positions.

Capacity to Comply with Court-Ordered Population Cap

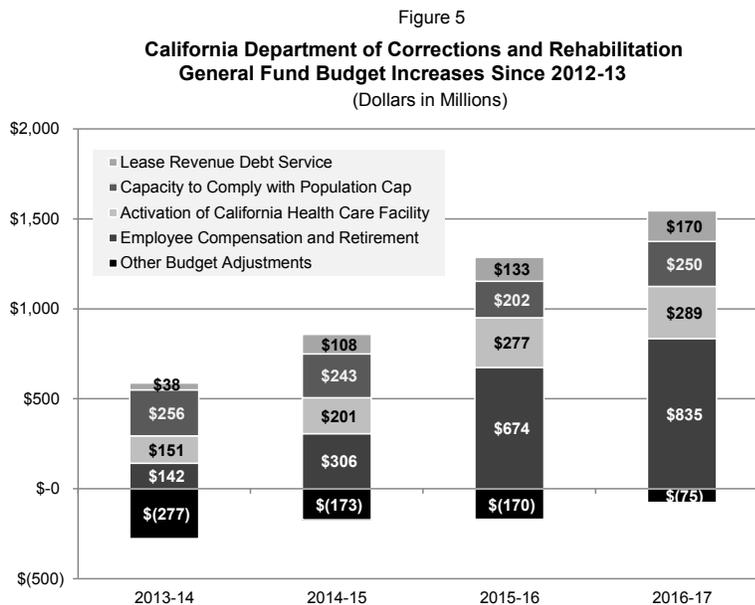
As previously discussed, the Budget includes approximately \$385 million in 2016-17 to house 11,396 offenders in leased or in-state and out-of-state contract beds. Additionally, the Budget includes \$32.1 million for the community reentry program and \$73 million to operate the infill sites. In total, to increase capacity to comply with the court-ordered population cap, the Budget includes an increase of \$250 million over the amount budgeted in the 2012 Budget Act.

California Health Care Facility

The California Health Care Facility opened in July 2013, providing almost 2,600 healthcare beds, of which approximately 950 are licensed beds. The 2012 Budget Act included approximately \$16 million for pre-activation activities at the new facility. Since that time, the Department’s budget has increased by approximately \$289 million to activate and operate the facility.

Lease Revenue Debt Service

The Budget includes \$430.3 million for the Department’s Lease Revenue Debt Service. This is an increase of approximately \$170 million over the 2012 Budget Act. This increase is primarily driven by the construction of the California Health Care Facility, Health Care Facility Improvement Projects, infill capacity as outlined in the Blueprint, and local criminal justice facility construction projects.



This page intentionally blank to facilitate double-sided printing.

SECTION FOUR: FACILITIES AND POPULATION MANAGEMENT

Significant changes to the prison population over the last several years have changed how the Department evaluates and adapts to housing needs of the inmate population. The Department has a renewed need to monitor, evaluate, and shift housing and inmate placement as the inmate population demographics change. For example, as the lower security level inmate population continues to decline, such as those inmates eligible for fire camps and minimum support facilities, the proportion of serious and violent inmates continues to grow. The Department is also challenged by limiting inmate placements at Avenal and Pleasant Valley State Prisons to those who had previously been exposed to Valley Fever and thereby are least likely to contract the infection. The Department must continue to evaluate alternatives to typical inmate placements and change facility missions to maximize use of existing prisons. Further compounding these changing conditions is the division of inmates into sub-populations within designated security levels. Examples include the need for Sensitive Needs Yards and Enhanced Outpatient Program (a mental health designation) facilities, including Sensitive Needs Yard facilities designated exclusively for Enhanced Outpatient Program inmates. The increasing proportion of the population that is serious or violent and the continued growth of sub-populations that require dedicated housing are limiting housing placement options for the Department system-wide. The Department will continue to monitor these issues, and may consider future adjustments to accommodate these unique populations.

POPULATION MANAGEMENT

The Department operates a prison system that is responsible for almost 130,000 inmates. In this environment, violence and gangs can be a significant issue, and the Department is always trying to mitigate these problems. The Department is implementing and evaluating programs that will help reduce violence and gang activity in prison and create an environment more conducive to rehabilitation.

Inmate Classification

Appropriate housing designations are important in creating a secure, safe and efficient prison system. As discussed in Section One, the Department implemented changes to its inmate classification system and how it designates security levels, which allowed for a large shift of offenders to lower security levels with less restrictive housing and more rehabilitative and educational programming opportunities. To build upon the success created by the change to security level designations, the Department is evaluating further modifications to improve security and access to rehabilitative programs.

SECTION FOUR | FACILITIES AND POPULATION MANAGEMENT

The Department is focusing on an inmate's custody designation. A custody designation is a sub-designation to security level (i.e., I, II, III and IV) intended to adjust the security coverage required for an individual within a security level. The custody designation can specify the type of bed (celled vs. dorm) and eligibility for certain jobs or programs. Although other reasons may be considered, an inmate is assigned to a particular custody designation based on the following factors:

- The inmate's total term
- The inmate's escape history
- Any active law enforcement felony holds
- Inmates with high notoriety or public interest
- Inmates with an identified management concern, which usually includes a threat to other inmates or the community, should an escape occur
- A finding of guilt for a serious, felony-level rules violation

The Department is considering revisions to existing regulations related to custody designations to allow more programming opportunities for those with lower supervision needs and shift focus to those inmates who pose the most significant risk of escape.

Sensitive Needs Yards

In the 1990s, the Department experienced significant spikes in violence amongst the inmate population. A primary factor in the increased violence was the growth of prison gangs. Gang proliferation reached all prisons and into the community. Inmates who were victims of attack, sex offenders, had drug debts, or seeking safety during their incarceration were placed in segregated housing for extended periods of time for their protection. Segregated housing is expensive to operate and limits inmate programming opportunities. To counteract this problem, the Department created Sensitive Needs Yards, which are similar to general population yards except they only house inmates with protective custody needs. The criteria for an inmate to be designated Sensitive Needs Yard was liberally applied to meet the Department's primary mission of safely housing its inmates.

The Sensitive Needs Yard population within the prisons has grown significantly and created a further bifurcated housing system that is expensive to operate and inconsistent with the operation of other prisons in the nation. In June 2008 the Sensitive Needs Yard population was approximately 24,000 inmates, and has become the fastest growing population within the prison system, expanding to approximately 41,000 inmates today. The Department is

continually changing facility missions throughout the system to address the growing Sensitive Needs Yard population and address other specialty needs of the inmate population. For example, the Department can no longer just have a level II general population facility. It now must create a level II general population facility and a level II SNY facility. This problem becomes further exacerbated when facilities are limited by certain medical, mental health, and programming designations. These housing limitations put a significant strain on the Department's ability to safely and effectively house the inmate population.

The Department plans to engage a variety of stakeholders to develop a long-term plan to mitigate the negative impacts of the Sensitive Needs Yard population and its continued growth while maintaining the safety benefits it was created to provide. To improve the Department's population management efforts, it may need to consider stricter criteria to obtain a Sensitive Needs Yard designation, the removal of Sensitive Needs Yard designations for gang and violent behavior, and consider other measures that are effective with this population.

Security Threat Group Regulations

The Department recently reached a settlement agreement in the *Ashker v. Brown* lawsuit related to conditions of confinement at Pelican Bay State Prison. The final agreement moves the Department away from a system of indeterminate terms for segregated housing to a system that focuses on determinate terms for behavior-based violations. In addition, the Department has made changes to its step-down program to allow inmates to transition from segregated housing into the general population more quickly than under previous policies. While the Blueprint outlined initial steps that would potentially reduce the future need for segregated housing, these additional changes are projected to reduce the need for several thousand segregated housing beds, which will be converted into the appropriate housing security level as the changes occur.

The Budget includes a reduction of \$28 million to account for these housing conversions. To maintain public and institutional safety, the Budget includes \$5.8 million for additional investigative staff to monitor gang activity in prisons as the new segregated housing policy changes are implemented.

FACILITIES AND INFRASTRUCTURE

The three-judge court order requires the Department to limit the inmate population housed in its 34 prisons to 137.5 percent of design capacity by February 28, 2016. While projections indicate the inmate population will grow in the coming years, the continuation of various population reduction measures, an infill bed expansion, maintaining existing

prison infrastructure, and by keeping in-state and out-of-state contract beds at current levels, the prison system is projected to remain below the population cap. This plan is not without challenges as the Department continues to struggle to meet the unique needs of its population in aging and obsolete facilities. However, since the Blueprint, a great deal of progress has been made in remedying long-standing infrastructure deficiencies in medical, mental health and dental care areas of the prisons. Progress has also been made in improving accessibility for disabled inmates. The Department is also expanding programming space at its reentry hubs to improve access to rehabilitative services. This section details these accomplishments but also describes the Department's remaining facility and infrastructure challenges and how it intends to address them, as well as considering the continued use of in-state and out-of-state contract facilities, to maintain compliance with the court-ordered population cap.

Improvements in Accessibility, Health Care, and Programming Space

Over the last several years, the Department has developed and implemented a number of facility improvement projects that when complete will provide greater accessibility, improve the delivery of health care, and create additional space to conduct rehabilitative programming. The Department's Dental Improvement Program created additional space, improved sanitization and storage areas and provided new equipment at select prisons at a cost of approximately \$20 million. The Department also built a number of treatment and office buildings to serve the inmate population with mental health treatment needs, with the last of these projects completed in October 2015. In addition to the construction of new mental health facilities, the Department collaborated with the Receiver to develop the Health Care Facility Improvement Program, a comprehensive program to build and/or renovate healthcare facilities at nearly every prison at an estimated cost of \$850 million. This program does not apply to the California Health Care Facility, San Quentin State Prison or the California Rehabilitation Center, but 23 prisons are in construction, 3 are in the bidding phase, and 5 are in the design phase. The Department is also engaged in a multi-phase construction effort to improve accessibility at prisons housing disabled inmates to comply with the Americans with Disabilities Act and *Armstrong v. Brown*. To expand programming space, the Department is acquiring modular facilities at its reentry-hub prisons. All of these improvements are being made to enhance the usability of the Department's existing prisons by providing access to necessary services.

Housing Capacity Breakdown

The Department houses its adult male offenders by security level, and within each prison, facilities are often further differentiated into special designations to provide housing that serves the population's needs (e.g., Sensitive Needs Yards, certain mental health

designations). Figure 6 reflects the Department's prison design capacity by level compared to the total projected inmate population on June 30, 2020. If the population numbers in Figure 6 were compared exclusively to the Department's design capacity, the Department would have a large gap between the number of inmates that can be housed in its prisons at the 137.5-percent population cap compared to the total inmate population. The Department makes up for this gap primarily by housing inmates in fire camps, out-of state facilities, and in-state contract facilities. Figure 6 also reflects the planned completion of three level II dormitory housing facilities at existing prisons that will be complete in 2016 and will add design capacity of 2,376 beds, some of which will be designated for certain inmate populations that require mental health treatment.

Figure 6

Adult Inmate Population and Housing Capacity by Security Level

Security Level	Institution Design Capacity	June 30, 2020 Projected Population as of Fall of 2015
I	8,145	12,989
II	30,996	45,194
III	18,420	25,442
IV	14,148	27,885
Reception Center	6,573	11,617
Special	2,528	1,663
Female	3,485	5,519
Condemned	788	783
Total	85,083	131,092

Maintaining System-wide Capacity

The Department's previous plans, as outlined in the Blueprint, had assumed the closure of the California Rehabilitation Center upon completion of three new infill dorm facilities and fully eliminating its use of out-of-state contract facilities. The premise to be able to close the facility and end the use of out-of-state contract facilities was largely based on the idea the Department would have a population cap of 145 percent of design capacity and the total inmate population would be lower. However, the three-judge court retained a population cap of 137.5 percent of design capacity, and even with the recent court-ordered population reduction measures and Proposition 47, the inmate population in 2015-16 is several thousand inmates higher than projected at the time of the Blueprint. These factors prevent the Department from fully eliminating its use of out-of-state contract facilities and closing the California Rehabilitation Center.

As noted above, the Department uses many housing options to maintain compliance with the population cap. The Department projects the total inmate population to be approximately 131,000 by June 30, 2019. The Department's prison population cap is expected to be approximately 117,000, which leaves a gap of about 14,000 inmates that the Department must address to maintain compliance with the court-ordered population cap. The Department plans to maintain compliance by housing inmates in approximately 4,900 out-of-state beds; 4,100 in-state contract beds; 3,500 fire camp beds; 2,300 California City Correctional Facility beds; 1,000 community reentry beds; and 300 Department of State Hospital beds.

Figure 6 illustrates that it is projected that the state cannot eliminate its use of contract or leased beds or close the California Rehabilitation Center and maintain compliance with the court-ordered population cap.

California Rehabilitation Center

The California Rehabilitation Center is a level II facility that currently houses approximately 2,800 inmates. The need to maintain compliance with the prison population cap, and address the aging infrastructure of the facility led the Department to consider many options for the future of the California Rehabilitation Center.

Once it became clear the Department could not close the California Rehabilitation Center and maintain compliance with the population cap, it evaluated various options to construct or lease additional capacity to restore the approximate capacity loss that would occur upon closure of the California Rehabilitation Center. The Department considered new construction to replace the lost capacity. In considering construction to replace the lost capacity, the Department evaluated where additional housing could be located and what security levels would best meet its future needs. While the California Rehabilitation Center is a level II facility, Figure 6 indicates that higher security level housing is in shorter supply than level II capacity. Therefore, future capacity replacement or expansion will likely need to include celled capacity to address this shortfall.

The challenges of constructing new capacity and the need to sustain all current capacity to maintain compliance with the population cap led the Department to determine that it is most prudent to maintain the California Rehabilitation Center for the next few years. While the closure of the California Rehabilitation Center remains a priority, the facility has been without any type of physical plant improvements for many years because of its planned closure. The Budget includes a one-time augmentation of \$6 million to address critical special repairs and deferred maintenance projects at the facility to allow the Department to continue its use.

The Administration will also engage the Receiver on a workable plan to address physical plant needs to improve health care access at the facility. The state will continue to monitor the total inmate population and compliance with the population cap to assess the earliest date when this facility can be closed.

Out-of-State Contract Facilities

As mentioned above, the Department was unable to fully eliminate its use of out-of-state contract facilities as planned in the Blueprint, and absent building and/or leasing additional in-state capacity or further population reductions, the Department will need to maintain its current planned out-of-state population of approximately 4,900 to maintain compliance with the population cap. This population will be maintained at the two existing facilities—Arizona and Mississippi—that mainly house level III inmates. The Department will seek legislative authority to continue the use of out-of-state beds and the involuntary transfer process beyond December 31, 2016, which was the sunset date established in SB 105.

California City Correctional Facility

To augment its capacity to maintain compliance with the court-ordered population cap, the Department received legislative authority in SB 105 to enter into a lease for the California City Correctional Facility. Although the facility is leased, the Department staffs and operates the facility similar to a state-owned prison. The facility houses approximately 2,300 level II inmates. The current lease is set to expire in December 2016, but to maintain compliance with the court-ordered population cap, the Department will negotiate a lease renewal for at least two years.

In-State Contract Facilities

In addition to out-of-state facilities and the California City Correctional Facility, the Department also contracts with public and private in-state facilities to maintain compliance with the court-ordered population cap. These facilities house approximately 4,100 inmates, which are mainly level II beds. Continued use of these facilities is necessary to maintain compliance with the court-ordered population cap. The Department will seek legislative authority to continue the use of in-state contract beds beyond December 31, 2016, which was the sunset date established in SB 105.

Evaluation of Infrastructure Needs

As is the case with the California Rehabilitation Center, the vast majority of the Department's facilities are over 30 years old and require major repairs and capital replacements to continue to operate effectively. Institutions continue to be challenged with emergency repairs, further

SECTION FOUR | FACILITIES AND POPULATION MANAGEMENT

diverting resources away from maintaining and improving systems. Some of the most acute facility-related failures experienced by the Department have occurred within the oldest prisons—those constructed between 1852 and 1965. Over the years, the lack of consistent reinvestment in systems that have reached their useful age and the ongoing wear and tear by the inmate population have led to significant near-failures at these locations and pose substantial future risk of complete failure that could render all or portions of an entire prison unusable for an extended period of time. Any substantial facility failures would jeopardize the Department’s ability to maintain compliance with the court-ordered population cap, and simultaneously cause crowding of other facilities that would have to absorb the population. As necessary repairs and replacements are deferred, the costs to remedy these deficiencies will likely increase. Determining which facilities and system components warrant priority funding is challenging as many of the Department’s prisons are aged and increasingly in disrepair.

To begin addressing this significant risk, the Department will develop a comprehensive approach for making targeted investments to improve facility conditions and to sustain the Department’s capacity to maintain compliance with the court-ordered population cap. To do so, the Budget includes \$5.4 million in 2016-17 to contract for a study evaluating the existing conditions at the original prisons and develop plans to either renovate or replace housing units, support spaces, and infrastructure components serving those facilities. This study will lead to the creation of a prioritized facility reinvestment plan for the Department’s oldest prisons. The Department estimates that it would take approximately 18 months to complete the study.

To also help address the Department’s infrastructure issues, the 2015-16 Budget includes \$15 million for deferred maintenance projects and the 2016-17 Budget proposes an additional \$55 million for this purpose. The Department has identified over \$1 billion in deferred maintenance projects.

SECTION 5: FUTURE VISION

As noted in previous sections and in the SB 105 report, the criminal justice and correctional system is ever changing. The prison population can change due to practices at the local level. In addition, class action litigation often presents other challenges for the Department. These factors and others make planning in precise detail difficult, but the Department is focused on establishing principles to guide its future and improve its operation and delivery of programs. This Section includes the Department's overarching vision for the coming years and also identifies a number of specific initiatives already underway. The Department will continue to assess and shift strategies to meet the changing criminal justice environment, including evaluation of its organizational structure, in-prison and community programs and operational policies, culture, and effectiveness in meeting the demands of the California correctional system.

REHABILITATIVE PROGRAMMING

The Department's rehabilitative programs are critical to mitigating recidivist behavior by addressing the needs that led to criminal activity. The Department's rehabilitative vision is to continue refining, enhancing, and implementing programs that address individual criminogenic needs, reduce recidivism, and transition offenders into contributing members of society. The Department's services include academic education, career technical education, cognitive behavioral treatment, substance use disorder treatment, reentry and other programs.

To measure the success of programs, the Department plans to evaluate in-custody and community programs for effectiveness, compliance with national best practices, and cost benefits. To that end, the Department is currently developing an information technology solution to improve its ability to track offender specific outcomes. These outcomes will help the Department track an offender's rehabilitative life cycle and begin implementing performance-based contracting for rehabilitative services, which help reduce recidivism. In addition, the Department is partnering with the Pew-MacArthur Results First Initiative to engage in a large scale evaluation of the programs offered to inmates and parolees to best identify which programs are cost-effective and successful, and to prioritize and expand on effective evidence-based programs based on this analysis.

In addition to internal departmental initiatives, the Department also plans to establish and expand relationships with local stakeholders to enhance rehabilitative programming. The Department has started this collaboration by partnering with county probation departments on a limited scale for community programming and offender supervision activities. Expansion of these partnerships to include Health and Human Services agencies and private entities will strengthen community networks to assist offenders. This local collaboration is an ongoing goal of the Administration.

In-Prison Programming

The Department begins addressing an offender's path towards rehabilitation as soon as possible after the offender enters a prison by conducting an assessment at Reception Centers. To that end, the Department offers a broad array of in-prison programs which include academic and career technical education, cognitive behavioral treatment, volunteer-based programs, employment programs, and reentry services. The 13 prison reentry hubs target offenders who are within four years of release and have a moderate-to-high risk to reoffend and a moderate-to-high criminogenic need for services. The Blueprint established a goal to address at least one need prior to release for 70 percent of the target population.

As outlined in the Blueprint, reentry hubs provide services to the targeted population to prepare offenders for transition into society upon their release. Programs include cognitive behavioral treatment program services such as substance use disorder treatment, criminal thinking, anger management, and family relationships. Reentry hubs, along with all other institutions, offer academic and career technical education programs to allow inmates to obtain academic degrees and trade certifications. Inmates are also offered the Transitions Program, which provides them with job readiness, job search skills, and practical financial literacy to facilitate their successful reentry into the job market, and the Cal-ID program to assist inmates in obtaining a state-issued identification card. The Department will continue to assess the effectiveness of this approach and may consider modifying the current reentry-hub model if necessary.

Education and Other Programs

An inmate's education is a vital portion of their rehabilitation, and the Department offers adult basic education services, high school equivalency, and college-level courses. In addition, career technical education is available at all prisons with programs designed to provide a path to employment and a living wage.

Academic Education

The Department offers academic education with priority given to those with a criminogenic need for education. The Department's main academic focus is on increasing an inmate's reading ability to at least a ninth-grade level. As mentioned in Section One, the Department has been successful since the Blueprint in hiring additional academic teachers to expand educational services in prison. To continue improving education in prison, additional issues need to be addressed such as providing individually tailored education programming, reducing interruptions in learning due to movement between facilities, and improving offenders' familiarity with computer technology.

The Department also needs to keep up with technology advancements in the education field and the opportunities technology provides to enhance and expand education services in prison. The Department will continue to evaluate changes necessary to improve inmate education.

Career Technical Education

The goal of career technical education is to provide offenders with a marketable trade that improves opportunities for employment upon release. The program targets inmates who are closer to release with a criminogenic need for employment services. In addition to expanding career technical education programs as planned for in the Blueprint, the Department has also established dedicated funding for 12 career technical educational programs overseen by the Prison Industry Authority. Although progress has been made, technology related issues are also challenging the career technical education program. In November 2015, the Department became unable to provide certification for 26 percent of the career technical education programs because the certification exams must be completed online. The Department has a technology solution that is currently going through the normal information technology review process and will be under consideration for implementation once complete.

Prison Industry Authority

In addition to the traditional career technical education programs, the Department continues to utilize the valuable work programs overseen by the Prison Industry Authority which provide work opportunities for approximately 6,400 inmates in areas such as manufacturing, consumable service, and support functions, including warehouse and administration. Since the Blueprint, the Prison Industry Authority, in conjunction with the Receiver, established a janitorial services program aimed at improving cleanliness in health care areas which has the added benefit of creating more inmate work opportunities and job opportunities upon release.

Community College

College-level academics have been shown to have positive impacts on recidivism and improve offender reentry. However, state law prevented community colleges from receiving payment for any courses not available to the general public—including for incarcerated individuals. With mounting evidence about the benefits of inmate education, Chapter 695, Statutes of 2014 (SB 1391), allowed community colleges to receive payment for courses offered in prisons. After its passage, the Department entered into an agreement with the California Community College Chancellor's Office to develop four pilot programs to provide inmate access to community college courses that lead to either careers or transfer to a four-year university.

The pilot districts of Antelope Valley, Chaffey, Los Rios, and Lassen were awarded \$2 million to develop their inmate education programs with an emphasis on face-to-face instruction. Classes in these pilot districts will begin in late January 2016 and will each serve 21 to 30 inmates per semester. Business and Business Entrepreneurship programs will be offered at Lancaster State Prison, California Institution for Women, Folsom's Women's Facility, and High Desert State Prison.

In addition to the pilot colleges, the change in state law made it easier for other local colleges to offer courses for inmates. Currently, 14 community colleges offer inmate courses to approximately 7,500 inmates throughout the state. These programs, including distance learning, offer inmates a variety of programs including general education, humanities, psychology, and business.

To further expand course offerings to inmates throughout the state, the California Community College Chancellor's Office hosted an Inmate and Reentry Education Summit in December 2015 in Northern California. Over 245 participants from non-profit organizations, community colleges and the California Department of Corrections and Rehabilitation attended the event. The Chancellor's Office reports that 10 to 12 additional colleges are interested in creating inmate education programs. The Summit provided interested colleges with inmate education program best practices and planning information. Additionally, the Summit included information to improve college services for recently released individuals on their campuses. The Chancellor's Office plans to host another summit in Southern California in the spring of 2016.

To help provide access to these new community college programs, the Budget includes \$480,000 for custody staff to oversee evening college courses offered in prisons, similar to the security provided in other educational and career technical education programs. This augmentation will improve the safety of inmates and volunteer professors that provide instruction for in-prison college courses.

Many efforts are in the early stages of implementation and the Department plans to monitor and evaluate its success to guide future expansion of this important rehabilitative program.

Arts-in-Corrections

In addition to educational programming, Arts-in-Corrections programs can have a positive impact on inmate behavior, provide incentives for participation in rehabilitative programs, and increase critical thinking, positive relationship building, and healthy behaviors. The Department received \$2 million in 2015-16 to establish the program, which is currently

available at 18 institutions. It offers arts to offenders in many forms such as literacy, visual arts, performing arts, and media arts as well as drawing, painting, and sculpting. The Department has found alternative means of programming makes for a safer and more successful rehabilitative environment.

Innovative Programming Grants

While a wide array of rehabilitative programming is offered, the Department is always seeking new and unique methods of evidence-based rehabilitation. The institutions continue to coordinate with volunteer groups to offer innovative programs and services to provide additional programming options. The Department awarded approximately \$5.5 million in Innovative Programming Grants to non-profit organizations or individuals to increase the volunteer base at underserved institutions. This funding included \$2.5 million in grants funded from fiscal year 2014-15, and an additional \$3 million awarded in fiscal year 2015-16. These efforts further the Department's rehabilitative goals.

Substance Use Disorder Treatment

Providing offenders with access to substance use disorder treatment has a meaningful impact on reducing recidivism, and is a critical aspect of an inmate's rehabilitation. Without addressing this need, all other aspects of the inmate's rehabilitation are impacted. According to the 2014 Outcome Evaluation Report by the Department's Office of Research, offenders who were assigned to an in-prison substance use disorder treatment and completed treatment while in the community had a recidivism rate of 20.9 percent compared to 55.6 percent for those who did not receive any substance use disorder treatment. Because of these benefits, in addition to the planned reentry hub substance use disorder treatment programs, the Department also established substance use disorder treatment programs at four in-state contract facilities, and the California City Correctional Facility, and is in the process of establishing programs at 10 additional prisons. The Budget includes \$15.2 million to complete the expansion of substance use disorder treatment to the remaining 11 institutions.

Transitional and Reentry Programming

While addressing an inmate's rehabilitative needs during their period of incarceration is crucial, the Department must also be focused on providing an inmate with the programs and tools necessary to successfully transition back into society when they are released, and is taking steps to improve that process. The reentry hub and target population concepts are focused on providing services and programs to those near release. In addition, the Department is expanding alternative community placements for certain inmates near the end of their incarceration period.

Cal-ID

A key component of successful reentry includes access to services and employment. To that end, since the Blueprint, the Department received \$2.2 million to expand the Cal-ID program to all prisons. The program provides inmates with a state-issued identification card upon release from prison.

Community Reentry Program

The Budget includes \$32.1 million to continue the community reentry program. Reentry programs link offenders to a range of community-based, rehabilitative services that assist with substance use disorders, mental health care, medical care, employment, education, housing, family reunification, and social support. The program is voluntary and allows eligible male inmates committed to state prison to serve the end of their sentences in the community in lieu of confinement in state prison. To date, the Department has contracts to house 220 inmates in community reentry facilities. The Budget includes resources for a total of 680 beds in 2016-17 and proposes to increase the eligibility criteria from 120 days prior to release to 180 days.

The Department entered into contract with Butte County Probation to add a community reentry program that allows for eligible offenders to serve their last 120 days in the community. This facility serves both offenders being released to parole as well as post-release community supervision. The residential site and a county-run program with California Department of Corrections and Rehabilitation staff on-site provides reentry support by offering programs such as alcohol and drug recovery, employment, education, housing, family reunification and social support.

Local governments have sole control over land use, zoning, and permitting within their communities. When local communities are reluctant to allow the siting of rehabilitative programs for offenders in the criminal justice system, it impacts state and local governments' ability to provide meaningful programs for this population. The Budget includes \$25 million for incentive payments to local governments that approve, between January 1, 2016 and June 30, 2017, new long-term permits for hard-to-site facilities that improve public safety and support the criminal justice system through the provision of services such as substance use disorder treatment, mental health, and reentry programming. The Administration will work with city and county stakeholders during the spring to develop an allocation methodology while also safeguarding existing permitted facilities.

Alternative Custody Program

The Budget also includes \$3.3 million in 2015-16 and \$6 million beginning in 2016-17 to comply with the *Sassman v. Brown* lawsuit, which requires the state to expand the existing female Alternative Custody Program to males. Alternative custody participants can be placed on home detention or other available residential placement one year prior to their release. Although the female Alternative Custody Program is currently available for inmates two years prior to their release, it will be modified to one year. At this time, it is unclear how many males will ultimately qualify for an alternative placement. Consequently, future budget adjustments may be necessary to capture the full impact of this program expansion.

Although much work has been done, the Department will continue to focus on ways to streamline access to benefits and services for offenders prior to release, strengthen family relationships in the reentry process, and monitor certain offender groups to tailor services and programs to their needs.

California Leadership Academy

The 2014 Budget Act provided an \$865,000 planning grant for the California Leadership Academy. The primary concept of the Academy is to provide an alternative housing and programming placement with the goal of reducing recidivism for 18 to 25 year old inmates. By avoiding placement in a prison setting the Academy aims to offer training, programs and opportunities so that younger offenders break the cycle of crime. This concept offers a different approach in the operation of a custody environment. A report from the planning grant is due on March 31, 2016.

Sex Offender Treatment

Many state prison inmates are incarcerated due to committing a crime that requires registration as a sex offender, and the Department recognizes that sex offender treatment in prison is needed to fully assist in an inmate's rehabilitation process. To that end, the Department has established a pilot program for in-prison sex offender treatment. This program is designed for 80 participants and will be facilitated by clinical social workers at the Substance Abuse Treatment Facility. The program is in early stages of implementation and will be evaluated at the conclusion of the pilot to determine if the program should be permanently adopted and expanded.

Parolee Programming

An offender's continued access to programming upon their release from state prison is a core component of assisting that offender with reintegration into society. Research shows that community-based reentry programs are most effective if applied during the first 12 months

of release, when offenders are most likely to reoffend. In addition, after 2011 Public Safety Realignment, the parolee population remaining are those with the highest needs. As a result, the Department focuses on providing programs to the parole target population during the first year of release, which include services to address substance use disorder, housing, employment, education, and other needs. The Department has been successful at providing services to 70 percent of the target population in the community and continues to look for ways to improve and expand services provided in the community.

Medi-Cal Substance Use Disorder Treatment

In addition to rehabilitative programming and other transitional services, access to health care upon release is crucial to offenders' success in the community. The Department of Health Care Services successfully negotiated the Drug Medi-Cal Organized Delivery System 1115 Waiver, which was approved by the Centers for Medicare and Medicaid Services on August 13, 2015. This is a five year, California-only, pilot program that will test a new model for the organized delivery of health care services for Medi-Cal eligible individuals with a substance use disorder. The Department is collaborating with the Department of Health Care Services and a variety of stakeholders to implement the new waiver and develop an integrated system of care for parolees that will address medical, mental health, and substance use disorder needs. The Department is estimated to have approximately 42,500 offenders on active parole in 2016-17 and approximately 85 percent of them will be Medi-Cal eligible.

Local Collaboration

While many offenders released from state prison continue to remain under the jurisdiction of the Department during a period of parole, offenders can also be released to local supervision. Collaboration between the state and county probation departments and other local law enforcement agencies remains critical, and the Department is expanding relationships with local stakeholders to enhance rehabilitative programming, similar to efforts at the community reentry facility in Butte. After Realignment, the parole population significantly declined and many parole offices were closed, leaving the Department with fewer facilities to provide parolee programs. Since then, the Department has established ten co-located Day Reporting Centers to provide rehabilitative services to offenders released to both state parole and Post-Release Community Supervision. The co-located Day Reporting Centers provide services to county and state offenders in: Imperial, Riverside, San Bernardino, Santa Clara, Tehama, Yolo, Santa Barbara, Sacramento, Shasta, Monterey, Calaveras, and Butte.

Parole Violation Programs

The parole violation decision making process has changed over recent years with the Department making a more concerted effort to exhaust remedial sanctions before seeking

incarceration for a parolee who violates a condition of parole. Parolees who violate their conditions of parole often receive a remedial sanction to attend a community-based program for a mandated period of time. The mandated period normally does not coincide with the length of time it takes to complete the community based-program. Also, there are times that the parole violator may only require detoxification services instead of licensed residential treatment. The placement of parole violators, who are not always part of the target population, into these community-based programs places a strain on the resources that were originally meant to assist offenders in the target population. To address this issue, the Department will develop a parole violation pilot program within existing resources at three locations in 2016-17 which will include programming more tailored to a parole violator's needs.

Long-Term Offenders

In recent years, the number of long-term offenders being released after serving lengthy periods of incarceration has steadily increased. The Board of Parole Hearings indicates that approximately 80 percent of life-term offenders released to parole require or request transitional housing as part of their parole plans. Furthermore, the needs of offenders incarcerated for long terms are unique and better served by programs tailored to their needs. To better serve long-term offenders, the Budget includes \$10 million for the following program expansions:

- Parolee Service Center Beds (\$3.1 million)—Parolee Service Centers provide residential and support services that focus on employment, job search and placement training, substance use disorder education, stress management, victim awareness, computer supported literacy and life skills. The Department will add 136 beds on a statewide basis for this purpose.
- In-Prison Long-Term Offender Program (\$3.4 million, of which \$2.1 million is one-time)—This voluntary in-prison reentry program that is designed specifically for long-term offenders, providing substance use disorder treatment, criminal thinking, anger management, family relationships, victim impact, denial management and employment readiness. The Blueprint created this pilot program, and the Budget proposes to expand to an additional prison, which will increase the number of slots by approximately 1,700.
- Offender Mentor Certification Program (\$423,000)—Long-term and life-term inmates who complete this voluntary ten-month program are trained and certified to become mentors for alcohol and drug counseling. Upon completion, inmates are assigned as mentors and obtain 4,000 hours of work experience in substance use disorder treatment programs. Once those hours are fulfilled, inmates are eligible to obtain a substance use

disorder counseling certification that can be used to gain employment upon release. This augmentation will enable the Department to train an additional 64 inmates annually.

- **Pre-Employment Transitions Program (\$3.1 million)**—The Transitions Program offers employment preparation, teaching job-readiness, job search and prerequisite skills needed for the current job market. Participants learn about community resources and programs to help with transition and are linked to One-Stop Career Centers and social service agencies in their counties of residence. This program is currently available at all reentry hubs as planned for in the Blueprint and will be expanded to all prisons. The Department will discontinue the use of contractors for this program and will hire teachers to serve approximately 23,000 inmates annually.

The Department will also begin efforts to develop a program that provides six-month transitional housing in locations closest to the communities in which life-term inmates will be released. Offenders serving long terms in prison are often unprepared for reentering society due to changes in technology and day-to-day living advances. Transitional housing will assist these offenders to successfully reenter society. Additionally, the Department has taken steps to allow offenders placed in transitional housing immediate access to community leave passes, phones and visitation, and to place these parolees in an appropriate service or treatment program based on their needs assessment.

SAFETY AND SECURITY

The safety and security of the Department's institutions is of paramount importance. Safe operation of the Department's facilities fosters a positive atmosphere that promotes rehabilitation. High programming facilities create better working conditions for staff and better living conditions for inmates. The Department is regularly challenged to maintain safe and secure prisons, and continues to refine and expand methods that improve the safety and security of the prisons to protect inmates, staff, and the public. The Department has made much progress in creating a safer environment and will continue its mission of enhancing security of the state prison system.

Drug and Contraband Interdiction

A critical component of establishing a safer prison system is to reduce drug use, drug trafficking, and contraband within the institutions. The use of illicit drugs by inmates presents a serious threat to the safety and security of institutions. Drug trafficking causes many problems in a prison setting, including assaults, power struggles within the inmate population, underground economies, and reduced programming benefits and adherence. To provide a

safer environment that encourages the rehabilitation of inmates and supports their health, mental health, and educational opportunities, it is important that proactive steps be taken to limit the introduction of drugs and contraband in prisons.

The Department began a drug and contraband interdiction pilot program at 11 institutions beginning in 2014. The 11 institutions chosen for the interdiction program include those institutions with the highest amounts of confiscated illegal drugs and contraband and high levels of drug use. The pilot program is a comprehensive, multi-layered approach, focusing on all avenues of contraband interdiction in the institutions. The interdiction strategies include drug interdiction officers, x-ray machines at entrance areas, drug and contraband detection canines, ION mobility spectrometry technology, random drug urinalysis of inmates, video surveillance equipment in visiting rooms, and increased access to substance use disorder treatment for inmates found to be using drugs. The Department is also evaluating the use of different types of body scanning technology to improve interdiction efforts.

The 11 Drug and Contraband Interdiction Pilot Program Institutions include:

Intensive:

1. Calipatria State Prison
2. California State Prison, Los Angeles County
3. California State Prison, Solano

Moderate:

4. Central California Women's Facility
5. California State Prison, Centinela
6. California Institute for Men
7. High Desert State Prison
8. Kern Valley State Prison
9. California Substance Abuse Treatment Facility
10. Sierra Conservation Center
11. Salinas Valley State Prison

The Budget includes \$7.9 million to continue and enhance efforts to reduce illegal drugs and contraband entering prisons. The expansion will enable the Department to search more staff, visitors and vendors entering these prisons on a daily basis, as well as packages received by these prisons. These efforts are intended to reduce inmate violence, increase safety for staff

and inmates, and promote a drug-free rehabilitative environment. Additionally, these efforts complement the expansion of substance use disorder treatment to all prisons by allowing the Department to prioritize placement of inmates who test positive for illicit drug use into substance use disorder treatment programs. To help inform a potential future expansion of this program, the Department will contract with an independent entity for an interim report which analyzes and evaluates data collected by the institutions. The interim report will be completed by the end of 2015-16 and a final report will be provided in spring 2017.

Safety and Security Technology

Video Monitoring

Video monitoring can be a successful deterrent to reducing illegal and negative behavior in prison, thus improving inmate and staff safety. The California City Correctional Facility and California Health Care Facility have video cameras throughout the prisons. The use of the technology at these facilities has proven effective in identifying and deterring illegal activity. Additionally, a video surveillance system is being installed at the three level II dormitory housing facilities being constructed at Mule Creek State Prison and Richard J. Donovan Correctional Facility. The Department is committed to evaluating the benefits of using video monitoring technology to improve the safety and security of all prisons, particularly level IV facilities.

Managed Access System

Over the last several years, the Department has rolled out cell phone blocking technology to 18 prisons to reduce illegal activity associated with cell phones. The Department has found that rapid changes in cell phone technology make blocking them incredibly challenging. To continue to expand to the remaining institutions and improve coverage at the existing facilities, the Department would need to make a substantial long-term investment in expensive upgrades to maintain the marginally effective system. Based on the lack of effectiveness and other more broad changes that would likely increase costs of the program, the Department has suspended further implementation of the technology to other prisons. The Department will continue to maintain the program at the prisons where the technology is being used. During this pause in implementation, the Department is evaluating technology to detect cell phones, instead of blocking, as a means to mitigate contraband cell phones. Cell phones in prison create considerable risk to institution security.

Enhanced Programming Facilities

In December 2013, the Department implemented Enhanced Program Facilities at select institutions ranging in security levels from level II general population to secure level IV facilities. These facilities are located at 12 different prisons throughout the state, including 9 male facilities and 3 female facilities. The intent is to cluster inmates who want to focus on rehabilitation and positive in-prison behavior by increasing programming opportunities and allowable inmate property. Inmates with documented behavior issues are reviewed through the classification process and sent to non-Enhanced Program Facilities. The Department intends to activate additional high programming facilities throughout the state by expanding to individual housing units until an entire facility (a group of housing units that share a yard) is positively programming. The Department will also evaluate its ability to sustain the program on secure level IV facilities, which have been the most challenging to implement thus far.

CONCLUSION

Over the past five years, there has been a reduction in the prison population, and improvements have been made in the use of technology, prison safety, the delivery of health care, and growth in rehabilitative programs. But much work remains to be done. It is important to continue operating a safe and efficient prison system, and the continued training and development of staff is a critical component of that effort. Mitigating the introduction of contraband through interdiction strategies will further improve prison safety. Another key component is an environment where inmates can earn credits and other privileges for educational achievement and other rehabilitative programs. Inmates who participate in and complete rehabilitative programs are generally more successful, both in prison and in the community. Access to meaningful programs and services are important to an offender's success and lead to improved recidivism rates and safer prisons and communities. As such, the Administration is committed to making further investments in this area to best prepare inmates for reentering society. The Administration recognizes that the California Department of Corrections and Rehabilitation is a critical component of the overall criminal justice system, and must work collaboratively with all stakeholders to address the full spectrum of offenders' needs to achieve better public safety outcomes. To that end, the Administration will continue to engage with local partners and other stakeholders to evaluate performance and improve the array of in-prison and community-based programs that ultimately benefit offenders and public safety.