

March 14, 2008

# The California Bottom Line

**\$1 Billion in Savings on Prisons**

“ ***Persistent waste and mismanagement*** by the Department of Corrections is costing California taxpayers hundreds of millions of dollars each year.”

—Jim Hard, President  
SEIU Local 1000

# Waste and Mismanagement in the Prison System Undermine Rehabilitation Goals

## **Mission Not Accomplished**

In April of 2007 the California State Legislature passed AB 900—the landmark prison reform law that provided \$7.7 billion in general fund and bond money to reduce overcrowding and expand rehabilitation programs in our state prisons.

After a year of meetings, reports and press releases, the California Department of Corrections and Rehabilitation has failed to make significant progress in the implementation of key reforms.<sup>1</sup> This failure is in part due to persistent waste and mismanagement and the inability of CDCR to competently manage, and oversee its programs, contractors and prisoners. This is costing California taxpayers hundreds of millions of dollars each year.

## Recommendations for \$1 Billion in Savings

- Fully implement rehabilitation reforms - **save \$561 million to \$684 million**
- Cut overspending on contracting out - **save between \$125 and \$178 million**
- Promptly recalculate prisoner release dates - **save up to \$218 million**

## **Complete Reforms in AB 900 - save \$561 million to \$684 million**

According to a July 2007 report from Governor Schwarzenegger's expert panel on corrections reform, the CDCR could reduce prison beds by 42,000 to 48,000 and **save \$561 million to \$684 million a year** by overhauling its inmate/parolee assessment and case management process.<sup>2</sup>

But the CDCR has been slow to implement a comprehensive case management plan that will enable the department to tailor its rehabilitation programming to each prisoner. In fact, Governor Schwarzenegger vetoed a SEIU Local 1000 sponsored bill—SB 263—that required the CDCR to implement real assessments of prisoners to determine their risks and needs. He claimed the law was “unnecessary.”<sup>3</sup> Currently, the CDCR is attempting to amend AB 900 to limit the inmate assessment requirement to new inmates coming into the prison system.

Basing rehabilitation programming assignments for inmates on a validated risk and needs assessment tool rather than a “first-come first-served basis” is at the heart of matching prisoners to the right programs and achieving rehabilitation results.<sup>4</sup> While the department has completed its validation of COMPAS, a widely used risk and needs assessment tool, it has not implemented a comprehensive case management

system across facilities for inmates and parolees – an important first step towards effective programming that is essential to revamping and expanding inmate rehabilitation.

- Only 31 percent of CDCR inmates are currently enrolled in education programs. If the department was able to increase enrollment to a modest 50 percent by placing newly enrolled prisoners in vocational education programs it **would save taxpayers about \$460 million** over the mid- to long-term.<sup>5</sup>
- A 2008 LAO report noted that the CDCR vacancy rate for teachers is 17 percent. This fact makes expanding educational opportunities a more difficult challenge. In Southern California facilities the vacancy rate runs as high as 35 percent. The LAO recommends that the CDCR renew its efforts towards closing teacher vacancies.<sup>6</sup>
- The Legislative Analyst Office published a report in February of 2008 that stated: “**vocational education programs generate an average of \$14,000 in net savings per inmate participant**” and that “successful education programs can generate \$2 to \$3 or more in savings for every dollar invested to implement them.”<sup>7</sup>

## **Cut Overspending on Private Drug Treatment and Medical Registries - save between \$125 and \$178 million**

Effective drug treatment is the cornerstone of rehabilitation. But over the last 20 years **\$1 billion has been wasted** on privately run, in-prison drug treatment programs that do not work. CDCR must expedite its efforts to validate all of its drug treatment programming and discontinue those programs that are proven to be ineffective. In addition, the CDCR spent more than \$820 million on contracting out in 2005-06—nearly 40 percent of which was spent on medical registries.<sup>8</sup> Medical registry bids at the CDCR range from 66 percent to 130 percent above what state workers in equivalent positions are paid. This means that on the low end, **the state is wasting more than \$125 million** to pay contractor's to do the same job state workers could do for less.<sup>9</sup>

### Failed Drug Treatment Programs:

- The Office of the California Inspector General released a 2007 report indicating that private, in-prison drug treatment has been a \$1 billion "failure."<sup>10</sup>
- Currently the State of California is spending \$36 million a year to contract out inmate drug

treatment programs, even though numerous studies show that inmates who have graduated from programs fare no better than those who have not gone through them.<sup>11</sup>

- The CDCR has paid \$8.2 million for studies of its in-prison, drug treatment programs over the last nine years. The findings were consistently negative and the recommendations coming from the studies were routinely ignored.<sup>12</sup>

### Costly Medical Registry Contracts:

- CDCR medical contract registry costs increased from \$29 million in 2000-01 to approximately \$315 million in contracts for 2005-06.<sup>13</sup>
- According to the Federal Receiver, the total annual cost for contract health care services in the CDCR has increased from approximately \$153 million dollars in 2000-2001 to approximately \$821 million dollars in 2005-2006—**an increase of \$668 million or 537 percent**, while inmate population grew less than 10 percent with little improvement in the delivery of health care at CDCR.<sup>14</sup>

## **Implement Court Decisions on Prisoner Release - save up to \$218 million**

The CDCR has delayed implementation of three court decisions which affect the calculation of release dates for up to 33,000 prisoners.<sup>15</sup> Although the CDCR does not have exact figures on the number of prisoners who would be affected by the re-calculation, a sample of eligible inmates provided to Local 1000 by the CDCR suggests that 52 percent of the 33,000 prisoners affected would have their sentences reduced.<sup>16</sup>

- According to an internal CDCR memo, approximately 33,000 inmates need to have their release dates re-calculated.<sup>17</sup>
- As many as 17,160 could serve time beyond properly calculated release dates.<sup>18</sup>
- Failing to implement court decisions regulating release dates could **cost taxpayers as much as \$218 million**.<sup>19</sup>

## **Documentation**

<sup>1</sup> See the California Rehabilitation Oversight Board Bi-annual Report, January 2008 P. iii.

<sup>2</sup> Expert Panel on Adult Offender Re-entry and Recidivism Reduction Program, June 30, 2007 PPT.24, [www.acjrca.org/ppt07/7-adultreentry.ppt#295,24](http://www.acjrca.org/ppt07/7-adultreentry.ppt#295,24), Expected Positive Outcomes; Meeting the Challenges of Reforming California's Prison and Parole System, Governor's Rehabilitation Strike Team, December 2007.

<sup>3</sup> Office of the Governor: Press Release- Veto Message for SB 263, State of California, October 10, 2007.

<sup>4</sup> Expert Panel on Adult Offender Re-entry and Recidivism Reduction Program, June 30, 2007 PPT. 12, [www.acjrca.org/ppt07/7-adultreentry.ppt#272,12](http://www.acjrca.org/ppt07/7-adultreentry.ppt#272,12)

<sup>5</sup> Raising the overall education rate to 50 percent would increase the number of enrollees by 32,870. Placing these inmates in vocational education programs would generate savings of \$14,000 per inmate. The 31 percent and \$14,000 figures are taken from the LAO report, "From Cellblocks to Classrooms," February 2008. Also see Joan Petersilia on the importance of prisoner education in "Challenges of Prisoner Reentry and Parole in California," California Policy Research Center 2000.

<sup>6</sup> LAO report, "From Cellblocks to Classrooms," February 2008, P.14.

<sup>7</sup> Ibid. P. 6

<sup>8</sup> Steve Westly, CDCR Review Report- Healthcare Delivery System, Appendix B, April 2006 P.33.

<sup>9</sup> This figure is based on data from the September 14, 2007 bidders' conference address by former Federal Healthcare Receiver Robert Sillen, indicating that registry bids range from 66 percent to 130 percent above what state workers in equivalent positions are paid.

<sup>10</sup> Office of the Inspector General, Special Review into in Prison Substance Abuse Programs, February 2007, P.5.

<sup>11</sup> Ibid. P.5

<sup>12</sup> Jenifer Warren, Prison anti-drug programs criticized, Los AngelesTimes, February 22, 2007.

<sup>13</sup> Steve Westly, CDCR Review Report; Healthcare Delivery System, April 2006 P.33.

<sup>14</sup> Robert Sillen, Receiver's First Bi- Monthly Report, Office of the Receiver, July 5 2006. P.24.

<sup>15</sup> In re Reeves, 35 Cal.4th 765 (2005) – affects the calculation of work-time credits for inmates serving a combinations of sentences for violent and nonviolent offenses. In re Phelon, 132 Cal.App.4th 1214 (2005) - affects the calculation of credits for inmates serving time for non-violent offenses but who were improperly designated as violent offenders because of stayed counts for a violent offense. In re Tate, 135 Cal.App.4th 756 (2006) - affects the calculation of credits for inmates serving time for convictions in separate cases tried at separate times where one was a violent offense and the other a non-violent offense.

<sup>16</sup> CDCR provided the Union with its sample recalculation results.

<sup>17</sup> DonThompson, California to recalculate release dates for up to 33,000 inmates Monterey Herald December 12, 2007. [http://www.montereyherald.com/ci\\_7698408?source=most\\_viewed](http://www.montereyherald.com/ci_7698408?source=most_viewed)

<sup>18</sup> The figure is 52 percent of 33,000.

<sup>19</sup> A CDCR sample of 659 affected inmates suggests that 52 percent of the 33,000 affected prisoners will need to have their release dates recalculated and reduced by an average of 107 days. In the CDCR sample 17 percent of those needing corrected release dates have already been held beyond their proper release date by an average of 121 days. Applying sample miscalculation rates found in the CDCR sample to the 33,000 affected inmates shows the state could save up to \$218 million by recalculating release dates. Based on the CDCR sample we project a) 17,160 inmates will be held an average of b) 107 days beyond their proper release date for a total of c) 1,836,120 additional days at a cost of d) \$118.59 per day. The \$118.59 per diem cost of incarceration we use is based on the annual bed cost \$43,287 reported in the LAO January 2007 report "California's Criminal Justice System: A Primer" by Elizabeth Hill. Projected cost-savings are not annual reoccurring savings.

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## When addressing California's budget crisis we need to be focused on \$1 billion of waste in CDCR programs

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**Look inside for details on waste and mismanagement in the prison system**



SEIU Local 1000 is California's largest union of state employees and represents more than 15,000 CDCR employees, including educators, rehabilitation specialists, supervising cooks and other professionals throughout the state prison system.