

REPORT 2009-107.1 SUMMARY - SEPTEMBER 2009

California Department of Corrections and Rehabilitation: It Fails to Track and Use Data That Would Allow It to More Effectively Monitor and Manage Its Operations

HIGHLIGHTS

Our review of California's increasing prison cost as a proportion of the state budget and the California Department of Corrections and Rehabilitation's (Corrections) operations revealed the following:

- While Corrections' expenditures have increased by almost 32 percent in the last three years, the inmate population has decreased by 1 percent during the same period.
- Corrections' ability to determine the influence that factors such as overcrowding, vacant positions, escalating overtime costs, and aging inmates have on the cost of operations is limited because of a lack of information.
- The cost of housing an inmate out of state in fiscal year 2007-08 was less per inmate than the amount Corrections spent to house inmates in some of its institutions.
- Overtime is so prevalent that of the almost 28,000 correctional officers paid in fiscal year 2007-08, more than 8,400 earned pay in excess of the top pay rate for officers two ranks above a correctional officer.
- Over the next 14 years, the difference between providing new correctional officers with enhanced retirement benefits as opposed to the retirement benefits many other state workers receive, will cost the State an additional \$1 billion.
- Nearly 25 percent of the inmate population is incarcerated under the three strikes law. We estimated that the increase in sentence length due to the three strikes law will cost the State an additional \$19.2 billion over the duration of the incarceration of this population.
- Although Corrections' budget for academic and vocational programs totaled more than \$208 million for fiscal year 2008-09, it is unable to assess the success of its programs.
- California Prison Health Care Services' ability to transition to using telemedicine is impeded by a manual scheduling system and limited technology.

RESULTS IN BRIEF

The mission of the California Department of Corrections and Rehabilitation (Corrections) is to enhance public safety through the safe and secure incarceration of offenders, rehabilitative strategies to successfully reintegrate offenders into communities, and supervision of parolees. In the last three years Corrections' expenditures have increased by almost 32 percent, and its expenditures now represent about 10 percent of the State's total General Fund expenditures. During the same period of time, the inmate population has decreased by roughly 1 percent. Various factors influence the cost of Corrections' operations, including overcrowding, vacant employee positions, the transition of the inmate health care function to a federal court-appointed receiver, escalating overtime costs, and the presence of aging inmates with lengthy prison terms due to sentencing under the three strikes law. Additionally, a recent federal court order requiring Corrections to create a plan to drastically reduce the inmate population at its institutions will also likely affect costs.

Although these factors affect the cost of its operations, Corrections' ability to determine the impact of each factor is limited by a lack of information. Despite rising costs for incarcerating inmates, Corrections does not have sufficient information to identify how much specific inmate or institution characteristics contribute to these costs and how changes in Corrections' operations would influence expenditures. Further, due to a lack of basic data regarding education and vocational programs provided to inmates, Corrections does not have information that could help it identify opportunities to evaluate effectiveness in reducing the chance that inmates will return to prison once they are released. Corrections is in the process of developing an automated system that will, if successful, allow for statewide data analysis.

Using the data available in Corrections' accounting records, we were able to associate expenditures with specific institutions. However, because Corrections fails to maintain certain basic management information, we were unable to determine the number of custody officers associated with specific populations, such as high-security inmates, violent offenders, and specialized units, and thus were unable to determine what causes the significant cost fluctuations among institutions. In contrast, we were able to confirm that costs per inmate generally increase with the security level of the institution's mission, or primary function. The higher costs at some institutions are related primarily to health care and increased custody staffing levels, and we found that institutions that house high-security inmates, violent offenders, and specialized units had significantly higher average annual costs per inmate. In a subsequent report, we plan to provide further detail on the comparative cost of contracted medical care provided to inmates of various ages.

Corrections is working to reduce overcrowding and currently houses several thousand inmates in contracted facilities located in other states. The primary purpose of incarcerating inmates outside California is to reduce overcrowding and the dangerous conditions caused by placing inmates in prison areas such as gymnasiums, dayrooms, and program rooms that were not designed for inmates that need cells. The cost of housing an inmate out of state in fiscal year 2007-08 was less per inmate than the amount Corrections spent to house generally comparable inmates.

Housing, security, and support costs are the largest category in the cost of incarceration, and the number of custody staff depends on the security and custody levels of the inmates as well as various institutional considerations. Custody staff costs include the \$431 million Corrections paid in overtime for inmate custody operations during fiscal year 2007-08. Overtime is so prevalent that of the almost 28,000 correctional officers paid in fiscal year 2007-08, more than 8,400 earned pay in excess of the top pay rate for a correctional lieutenant—the level two ranks above a correctional officer. However, the cost to recruit and train new correctional officers, combined with the significant increases in the cost of benefits in recent years, makes hiring a new correctional officer slightly more costly per hour than paying overtime to the highest-paid correctional officers currently employed by Corrections. For example, the percentage of a correctional officer's salary that the State contributes for retirement benefits was nearly 26 percent in fiscal year 2007-08. The retirement benefits correctional officers receive allow them to retire with similar benefits nine years earlier than other state employees who receive the same salary. According to our estimates, over the next 14 years the difference between providing new correctional officers with the enhanced retirement benefits they currently receive, as opposed to the retirement benefits many other state workers receive, will cost the State an additional \$1 billion.

Nearly 25 percent of the inmate population is incarcerated under the three strikes law. The three strikes law requires individuals to serve longer prison terms. In addition, our analysis indicates that such inmates as a population are older. Research has found that older inmates require more health care, and as a result the costs of incarcerating them are higher. By comparing the sentences of inmates incarcerated under the three strikes law to the sentences they might otherwise have received, we estimate that the increase in sentence length due to the three strikes law will cost the State an additional \$19.2 billion over the duration of these inmates' incarceration. However, our analysis does not take into account several factors that are dependent upon inmate behavior, including the differences in the amount of credit inmates can earn toward an early release and the rate of recidivism—the likelihood that an inmate will return to prison for committing another offense. We will publish a subsequent report that will provide additional details on the number and cost of subpopulations of inmates sentenced under the three strikes law.

Additionally, while Corrections' budget for its academic and vocational programs totaled more than \$208 million in fiscal year 2008-09, it confirmed that its system for accessing, processing, and tracking inmate educational data is extremely inadequate, and therefore it is unable to determine the success of its programs in reducing the chance that inmates will return to prison once they are released. Moreover, Corrections' lack of a plan for placing teachers in institutions and classes based on inmate needs limits the likelihood that education is being provided to eligible populations in an efficient manner. Further, a lack of information on inmates who have been on a waiting list, or previously participated in these programs, limits Corrections' ability to determine the efficacy of these programs, whether inmates were denied access by being paroled prior to enrolling in a program, and whether Corrections complied with state law requiring it to make literacy programs available to at least 60 percent of eligible inmates in the state prison system.

Finally, although cost is not the federally appointed receiver's main focus, the receiver hopes to cut medical costs by transitioning additional medical care to telemedicine appointments—two-way video conferencing between an inmate and a health care provider. However, this process is in an early stage. Furthermore, California Prison Health Care Services (Health Care Services) has not yet estimated the total cost savings, effectiveness, or potential for using telemedicine due to a lack of reliable information. In addition, its ability to transition a significant portion of the health care workload to telemedicine is impeded by a manual scheduling

system and limited technology. Without systemwide improvements addressing these issues, it is unlikely that significant amounts of additional care will be provided via this delivery method.

RECOMMENDATIONS

To help it assess the effect of policy changes and manage operations in a cost-effective manner, Corrections should do the following:

- Ensure that its new data system will address its current lack of data available for statewide analysis, specifically, data related to identifying the custody staffing cost by inmate characteristics such as security level, age, or custody designation.
- If implementation of its new data system continues to be delayed, or if Corrections determines that the new system will not effectively replace the current assignment and scheduling systems used by the institutions, it should improve its existing data related to custody staffing levels and use the data to identify the related costs of various inmate populations.

To ensure that it is addressing the program needs of its inmate population in the most cost-effective manner, Corrections should develop a staffing plan that allocates teacher and instructor positions at each institution based on the program needs of its inmate population.

To ensure that it can determine whether it is in compliance with state law and can measure the efficacy of its programs in reducing recidivism, Corrections should track, maintain, and use historical program assignment and waiting list data by inmate.

To minimize costs through the use of telemedicine, Health Care Services should do the following:

- Review the effectiveness of telemedicine consultations to better understand how to use telemedicine.
- Perform a more comprehensive comparison between the cost of using telemedicine and the cost of traditional consultations, beyond the guarding and transportation costs, so that it can make informed decisions regarding the cost-effectiveness of using telemedicine.

To increase the use and efficiency of the telemedicine system, Health Care Services should maintain a focus on developing and improving its computer systems, such as its scheduling system.

AGENCY COMMENTS

Corrections believes that the report does not completely capture the complexity of many of the issues it addresses. For example, Corrections asserts that the source of the difficulty in determining the number of custody officers associated with a given group of inmates is that inmates have multiple characteristics and thus may be a part of more than one group. In addition, it believes that some of the topics discussed in the report are not solely within its purview to address and that while it agrees with our recommendation that it should seek better data to more effectively manage, it questions how this will allow it to reduce certain types of costs. Finally, Corrections believes that it has made progress in several of the areas discussed in the report, and will address the specific recommendations in future corrective action plans.

The receiver agrees with our recommendations and states that Health Care Services is taking action to address them.

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