

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
ON PUBLIC SAFETY

ASSEMBLYMEMBER SHIRLEY N. WEBER, PH.D., CHAIR

MONDAY, MARCH 18, 2019
 2:30 P.M. – STATE CAPITOL, ROOM 437

VOTE-ONLY CALENDAR

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VOTE-ONLY**8940 CALIFORNIA MILITARY DEPARTMENT**

VOTE ONLY ISSUE 1: VARIOUS CONTINUING SUSTAINABLE ARMORY RENOVATION PROPOSALS

Petaluma: Sustainable Armory Renovation: \$4.29 million (General Fund & federal matching) for performance criteria and design build phases of the Petaluma Armory, which houses a Combat Engineer Company.

Redding: Sustainable Armory Renovation Project: \$6.37 million (General Fund & federal matching) for performance criteria and design-build phases of the Redding Armory, which provides access to the northernmost counties and houses an Engineer Multi-Role Bridge Company.

Visalia: Sustainable Armory Renovation Program: \$4.22 million (General Fund & federal matching) for performance criteria and design build phases of the Visalia Armory, which provides access to Lemoore Naval Air Station and houses the Mounted Infantry Company.

San Diego: Readiness Center Renovation: Reappropriation of \$7.69 million for construction phases of the San Diego Armory caused by delays.

Staff Recommendation: Approve as Budgeted.

VOTE ONLY ISSUE 2: STATEWIDE ADVANCE PLANS AND STUDIES

Statewide: Advance Plans and Studies: \$300,000 (General Fund & federal matching) for Architecture-Engineering services for design studies/programming charrettes, allowing for development of conceptual designs and validated cost estimates for future capital projects.

Staff Recommendation: Approve as Budgeted

VOTE ONLY ISSUE 3: FACILITIES AND INFRASTRUCTURE—MAINTENANCE PROGRAM EXPANSION

Facilities and Infrastructure—Maintenance Program Expansion: \$1.19 million (General Fund & Federal Trust Fund) and 7 positions in 2019-20 and \$826,000 (General Fund & Federal Trust Fund) and ongoing to maintain standards at facilities for Army National Guard and purchase work trucks.

Staff Recommendation: Approve as Budgeted.

ITEMS TO BE HEARD

5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

ISSUE 1: CAPITAL OUTLAY AND FACILITY IMPROVEMENT PRIORITIZATION AND MASTER PLAN FOR RENOVATION/REPLACEMENT OF ORIGINAL PRISONS STUDY BUDGET PROPOSAL

The California Department of Corrections and Rehabilitation (CDCR) will open this issue with a description of their capital outlay and facility improvement prioritization process and a description and status update of their Master Plan for Renovation/Replacement of Original Prisons Study.

PANELISTS

- California Department of Corrections and Rehabilitation
- Department of Finance
- Legislative Analyst's Office

BACKGROUND

The 2016 Budget Act included \$5.4 million General Fund to CDCR for consultant services to perform a study of prisons constructed prior to 1980. The study was supposed to evaluate the existing housing, program, and services buildings and infrastructure systems and develop recommendations regarding renovations or replacements necessary to maintain the current level of operations. The completed report was expected during the 2018-19 Budget Session for consideration, but was delayed to the fall of 2018 and now has been delayed again to the summer of 2019, after the 2019-20 Budget Session.

Proposed Funding

The Governor's budget proposes to extend the reversion date of \$5.41 million GF provided in 2016 to complete a study of the prisons constructed prior to 1980, from June 30, 2019 to June 20, 2020, to allow for time to process invoices and close out contracts.

STAFF COMMENTS

Since 2010, CDCR's institutional population has dropped by nearly 40,000 prisoners as a result of a court ordered population cap, voter approved initiatives like Proposition 47 and 57, and other enacted legislation. To its credit, CDCR has risen to the challenge of implementing these various changes by enacting regulations that support credit earning opportunities and expanding its programming options. Of concern is that even with these steady and significant population declines, which have not resulted in adverse public safety outcomes, the Department struggles

with a budget that has grown by more than \$3.6 billion in the last nine years. The estimated per cost of incarceration per year has risen from approximately \$49,000 in 2010-11 to over \$70,000-80,000 currently. In addition, nearly \$13.7 billion in maintenance, repair, and replacement costs have been identified for all 34 adult prisons. Medical costs and employee compensation are significant drivers. Even so, it appears that proactive planning by the Department, which takes into consideration enacted legislation and other policies impacting population, best practices and programs to promote recidivism reduction, and long term, strategic facility investments could release the Department from court control, improve public safety outcomes, and curb the burgeoning cost of state corrections.

The delay of the study has provided the Legislature with less information that may have been helpful in understanding CDCR's comprehensive capital outlay and facility improvement needs for its 34 institutions. While this study will only provide information on the facilities built prior to 1980 and most of the 2019-20 capital outlay budget proposals do not impact these institutions, CDCR's many other institutions are in need of significant investments to support safe, secure, and court compliant standards. Absent an understanding of CDCR's comprehensive plan to invest in durable facilities that are responsive to shifting population needs, it may be difficult for the Legislature to allocate resources in a cost-effective manner that supports facilities and CDCR's mission in the long-term.

Staff Recommendation: Hold Open.

ISSUE 2: DEFERRED MAINTENANCE OVERVIEW, DEFERRED MAINTENANCE BUDGET PROPOSAL, AND PRISON MAINTENANCE FUNDING METHODOLOGY BUDGET PROPOSAL

The California Department of Corrections and Rehabilitation (CDCR) will open this issue with an overview of their deferred maintenance needs, their process in how they prioritize deferred maintenance projects, and a description of their Prison Maintenance Funding Methodology proposal

PANELISTS

- California Department of Corrections and Rehabilitation
- Department of Finance
- Legislative Analyst's Office

BACKGROUND

Deferred Maintenance. Deferred maintenance refers to routine maintenance, repairs, and replacements in facilities that are delayed or do not occur, that may adversely impact the condition or the longevity of the facility. CDCR has an annual \$28 million Special Repair/Deferred Maintenance (SR/DM) funding baseline. SR/DM project development and funding processes address the following categories and types of building and site-wide infrastructure needs: (1) Unplanned Emergency or Urgent Major Repair and/or System Replacement; and, (2) Preventive Major Repair and/or System Replacement. The former refers to a group of needs results from sudden catastrophic or imminent major system and/or system component failures while the latter refers to and includes systems that require major repair, but which have not completely failed. These preventative needs can be identified and the required work can be scoped, designed, scheduled and funded according to system and CDCR priority. SR/DM project needs are typically extraordinary in scope, amount and/or occurrence and the process of needs identification, prioritization, project development and funding is utilized for all project phases including pre-design studies, architectural and engineering design, and construction and inspection. In 2008-09, CDCR's SR/DM project backlog totaled \$478.5 million. As of December 2018, the backlog has grown to \$1,044,273,606.

Prison Maintenance and Plant Operations Funding. CDCR's adult institutions encompass over 24,000 acres of land, including 4,000 buildings that comprise 42 million square feet and an estimated 22,000 individual pieces of equipment and utility system components. Prison maintenance and plant operations funding is the sole source of funds provided to CDCR for activities including preventative maintenance, equipment replacement, purchasing parts and supplies, and maintenance and repair contracts for equipment. Historically, this funding level has been calculated based on a per-inmate rate of \$277 applied to the projected Average Daily Population for adult institutions. This is the same manner in which funding for food and inmate

clothing is calculated. The funding needed for food and clothing at a prison is directly correlated with the number of inmates, but prison maintenance and plant operations' needs are dependent on the number, type, and age of buildings and systems, not the number of inmates in the buildings. The current formula assumes maintenance and plant operations' costs fluctuate based on the number of inmates housed at each prison.

The maintenance budget has decreased as a result of the decline in the institutional population but because maintenance and plant operations' expenses are fixed costs, the need for maintenance spending has not decreased. In addition, the lack of regular maintenance can lead to violations of regulations and laws. The cost to address regulatory citations received between 2011 and 2017 exceeded \$35 million and the potential exposure to fines and penalties currently exceeds \$180 million.

Proposed Funding

Deferred Maintenance Proposal: The Governor's budget includes a one-time augmentation of \$25 million General Fund in 2019-20 for deferred maintenance. CDCR will use this augmentation to address the projects in the table below. In addition, the Governor's budget includes \$18.5 million General Fund in 2019-20, \$37.1 million in 2020-21, and \$55.6 million in 2021-22 and ongoing for CDCR's new prison maintenance funding methodology.

Facility Location	Project Title	Estimated Cost
Richard J. Donovan Correctional Facility	Kitchen Fire Suppression - replace existing fire suppression system with UL-300 compliant system to meet code requirements.	\$ 2,200,000
California State Prison, Sacramento	Correctional Treatment Center Improvements - Replace the heating and air cooling systems and repair deteriorated flooring for licensed medical and mental health beds.	\$ 6,700,000
Avenal State Prison	Hydronic Loop Replacement Phase III - Multi-phase project to replace deteriorated and leaking hydronic piping.	\$ 3,000,000
Pelican Bay State Prison	Ceiling Skylight Repairs - Replace leaking ceiling skylights in Facility D.	\$ 1,100,000

Sierra Conservation Center	Electrified Fence Netting Replacement Project - Replacement of existing netting in order to continue compliance with environmental permits.	\$ 1,000,000
High Desert State Prison	Correctional Treatment Center Improvements - Replace deteriorated flooring for licensed medical and mental health beds.	\$ 1,400,000
Folsom State Prison	Roof Replacement - Replace roof over two housing units at the Folsom Women's Facility.	\$ 2,000,000
California Medical Facility	Roof Replacement - Replace roof over Administration, Central Control, Visiting and Receiving and Release.	\$ 3,300,000
Deuel Vocational Institution	Roof Replacement - Replace roof over Administration, Central Control and one Housing Unit.	\$ 2,300,000
California Correctional Institution	Wastewater Pond Improvements - Improve existing wastewater storage capacity to address permit requirements.	\$ 2,000,000
	Total	\$ 25,000,000

Prison Maintenance Funding Methodology: The Governor's budget includes an augmentation of \$18.5 million General Fund in 2019-20, \$37.1 million General Fund in 2020-21, and \$55.6 million General Fund 2021-22 and ongoing for total of \$88.9 million annually. The proposed formula multiplies the total square footage of CDCR's institutions of 40.4 million square feet by a base rate of \$2.20 for contracts, fees, and supplies which comes to a total of \$88,999,220. The funding amount of \$2.20 was determined based on a CDCR Annual Work Plan survey across 33 institutions - excluding California Health Care Facility and the infill facilities at Mule Creek State Prison and R.J. Donovan. This amount was then compared with external benchmarks, including a 2016 Building Owners and Managers Association International report that indicated U.S. private sector office buildings expend about \$2.25 per square footage for road, ground, and facility repair and maintenance.

LEGISLATIVE ANALYST'S OFFICE (LAO)

The LAO makes the following recommendations:

1. Require CDCR to report at budget hearings on the approach it is taking to prioritize projects. This would enable the Legislature to ensure that CDCR's approach would result in the selection of projects that are consistent with legislative priorities.
2. The Legislature should adopt Supplemental Report Language (SRL) requiring that, no later than January 1, 2023, CDCR identify how their deferred maintenance backlog has changed since 2019. In addition, the SRL should require that to the extent CDCR's backlog has grown in the intervening years, CDCR shall identify: (1) the reasons for the increase; and, (2) specific steps it plans to take to improve its maintenance practices on an ongoing basis.

Staff Recommendation: Hold Open.

ISSUE 3: VARIOUS CAPITAL OUTLAY AND FACILITY IMPROVEMENT BUDGET PROPOSALS
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The California Department of Corrections and Rehabilitation will describe the various capital outlay and facility improvements budget proposals.

PANELISTS

- California Department of Corrections and Rehabilitation
- Department of Finance
- Legislative Analyst's Office

BACKGROUND

Proposed Funding

Health Care Facility Improvement Program (HCFIP) Proposals: The Governor's budget includes the following proposals for the construction phases of various HCFIP projects:

- \$8.069 million General Fund for the California Correctional Center.
- \$9.703 million General Fund for the California Institution for Men in Chino.
- \$10.435 million General Fund for the Correctional Training Facility in Soledad.
- \$12.033 million General Fund for the Sierra Conservation Center.

Various Capital Outlay and Facility Improvement Proposals:

Pelican Bay State Prison: Facility D Yard: \$3.92 million General Fund for the construction of a yard in Pelican Bay State Prison's Facility D Security Housing Unit. This proposal seeks to revert the fiscal year 2018-19 appropriation in the amount of \$1.85 million and request this new appropriation based on new cost estimates.

Correctional Training Facility, Soledad: Administrative Segregation Cell Door Retrofit: \$15.66 million General Fund to replace the existing 144 barred cell fronts with cell fronts that have vision panels in the Administrative Segregation Unit.

Folsom State Prison: Water Storage Tanks: \$9.63 million General Fund for the construction phase of constructing 2 new water storage tanks necessary to support building fire suppression requirements.

Deuel Vocational Institution: New Boiler Facility: \$4.04 million General Fund for the design and construction of a new central high-pressure steam boiler facility. Boiler replacement is

required for compliance with the San Joaquin Air Pollution Control Districts regulations for gas fired boiler emissions standards.

Medication Distribution Improvements—Phase II: \$3.69 million General Fund for the design and construction for the second phase of medication distribution improvements in 13 prisons.

California Institution for Men: Air Cooling Facility A: \$931,000 General Fund to install air cooling systems with required fire/light/safety improvements in Facility A housing units.

California State Prison, Sacramento: New Cognitive Behavioral Treatment Classrooms: \$491,000 General Fund to design and construct three classrooms to support Cognitive Behavioral Treatment programs.

San Quentin State Prison: Cognitive Behavioral Treatment Space: \$484,000 General Fund to remodel Vocational Building 32 for Cognitive Behavioral Treatment programs.

Valley State Prison: Arsenic Removal Water Treatment Plant: \$1.51 million General Fund for the design and installation of an arsenic removal water treatment plant due to the increase in arsenic levels in the wells. This treatment plant will ensure compliance with the Environmental Protection Agency and State Water Resources Control Board drinking water quality standards.

Roof Replacement Design and Construction: \$2 million General Fund in 2019-20 for the design phase of roof replacements at High Desert State Prison and California State Prison, Solano and \$69.7 million General Fund in 2020-21 for the construction phase.

STAFF COMMENTS

As it relates to the Administrative Segregation Cell Door Retrofit proposal, staff notes that the Department's rationale that the proposal would reduce the risk of suicide of inmates is not supported. The placement of individuals in an isolated setting such as administrative segregation, in and of itself, dramatically increases the risk of suicidal ideation and suicide. The design of the door does not have a material impact. The Legislature may wish to ask the Department to return to the Subcommittee with a comprehensive strategy to reduce suicide in the administrative segregation unit in this facility and statewide, that includes screenings and appropriate mental health interventions.

In addition, CDCR states that this proposal will help address staff assaults. The Department cites, in almost a span of 6 years, 3 gassing incidents and 6 indecent exposure incidents. While staff notes the seriousness of health and safety concerns for institutional staff, the Legislature may wish to ask the Department to consider other interventions such as protective plexi-glass

shields. A bill has also been introduced in the 2019-20 legislative session that addresses gassing in correctional facilities.

Staff Recommendation: Hold Open.

This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub5hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Jennifer Kim.