



# CALIFORNIA STATE AUDITOR

Elaine M. Howle, State Auditor

## FACT SHEET

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The California State Auditor released the following report today:

### California Department of Corrections and Rehabilitation

*Inmates Sentenced Under the Three Strikes Law and a Small Number of Inmates Receiving Specialty Health Care Represent Significant Costs*

#### BACKGROUND

With annual expenditures of \$10 billion or 10 percent of the State's General Fund in fiscal year 2007–08—a 32 percent increase over the previous three years—the California Department of Corrections and Rehabilitation (Corrections) operates California's prisons, oversees community correctional facilities, supervises parolees, and operates the juvenile justice system. Health care to inmates is provided at each adult facility and through external contractors. The inmate health care function transitioned to a federal court-appointed receiver and is now overseen by the California Prison Health Care Services (Health Care Services). In reviewing the effect of California's prison population on the State's budget and its operations, the state auditor issued the first of this two-part report in September 2009 and concluded that Corrections fails to track and use data that would allow it to more effectively monitor and manage its operations.

#### KEY FINDINGS

Further review of the effect of Corrections' operations on the budget revealed the following:

- 43,500 inmates currently sentenced under the three strikes law (striker inmates) make up 25 percent of the total inmate population. Further, with regards to striker inmates:
  - On average, they receive sentences that are nine years longer—resulting in approximately \$19.2 billion in additional costs.
  - More than half are currently imprisoned for convictions that are not classified as strikes.
  - Many were convicted of committing multiple serious or violent offenses on the same day, while some committed one or more of these offenses as a juvenile.
- Health Care Services has not fully estimated potential savings from its proposed cost containment strategies. Further, a significant portion of the cost of housing inmates is for providing health care, which includes contracted specialty health care.
  - Roughly 41,000 of the 58,700 inmates that incurred specialty health care costs averaged just more than \$1,000 per inmate and cost \$42 million in total. The remaining 17,700 inmates incurred costs of more than \$427 million in the same year.
  - Specialty health care costs averaged \$42,000 per inmate for those inmates that incurred more than \$5,000 for such costs and were age 60 and older.
  - The specialty health care costs associated with inmates that died during the last quarter of the fiscal year were significantly greater than any specific age group—ranging from \$150 for one inmate to more than \$1 million for another.
- Nearly 32 percent of overtime costs in fiscal year 2007–08, or \$136 million, were related to medical guarding and transportation for health care.
- Custody staff's growing leave balances—due in part to vacancies, errors in Corrections' staffing formula, and exacerbated by the State's furlough program—represent a future liability to the State of at least \$546 million and could be more than \$1 billion.

#### KEY RECOMMENDATIONS

We made several recommendations to Health Care Services including that it continue to explore methods of reducing the cost of inmate medical care and to monitor overtime to ensure that it does not pose a safety issue. We also recommended that Corrections provide staff the opportunity to use leave by updating its staffing formulas. Further, we recommended Corrections better communicate to policy makers information concerning its annual leave balance liability.

