A Retrospective View of Corrections Reform in the Schwarzenegger Administration*

I. Laying the Groundwork for Correctional Reform

No one blamed Governor Arnold Schwarzenegger for the horrific state of California prisons when he took office in November 2003. The embattled system had been rocked by federal investigations, accusations of abuse of inmates by staff, out-of-control costs, substandard healthcare, and a code of silence that sometimes stymied investigations of guard misconduct. And despite the fact that California’s corrections expenditures were among the highest in the United States—per inmate, per staff, and as a share of the overall state budget—its recidivism rates were not declining. In fact, two out of three parolees were being returned to prison, one of the highest recidivism rates in the nation. No other state was spending more on its corrections system and getting back less.

By the time Gov. Schwarzenegger took office, there was little question that California’s correctional system, once a national leader in innovative practices, was in profound crisis. Just four months after taking office, he asked former Governor Deukmejian to chair an independent review panel designed to expedite fundamental reform and “turn around the crisis of confidence” in California’s youth and adult correctional systems. Deukmejian, who held office from 1983 through 1991, was an interesting choice because he helped build the state’s prison system into the nation’s largest during a law-and-order administration.

The Deukmejian report documented how California corrections began to collapse of its own weight during the 1980s and 1990s. For three decades, California legislators and the voters radically transformed the penal system by enacting hundreds of new sentencing laws, building twenty-two new prisons, and dismantling most rehabilitative programs. Massive overcrowding became endemic to the system, threatening staff and inmate safety. Increasingly, inmates remained idle because there weren’t enough jobs or programs available for the surplus inmates. The courts intervened, and by the time Gov. Schwarzenegger was sworn in, nearly all aspects of the state’s prison, parole, and juvenile justice operations were governed by consent decrees based on federal and state court litigation.

More than a dozen state reports have been published since 1990 detailing the growing crisis in California’s prison system and offering solutions. In fact, all of them have basically recommended the same solutions, which include expanded rehabilitation programs, the use of risk-assessment tools to distinguish higher- from lower-seriousness offenders, and a system of intermediate sanctions for nonserious offenders and parole violators. Everyone knew what needed to be done, but no one was willing to tackle the prison problem.

But all that changed with Arnold Schwarzenegger, a Republican, who was elected in a special recall election to replace then Governor Gray Davis, making Davis the first governor recalled in the history of California. Backers of the recall effort cited Gov. Davis’s lack of leadership combined with California’s mounting budget problems. Many believed that the state’s soaring expenditures and special interest politics were pushing California toward record budget deficits. California was facing a $35 billion budget gap in 2003 and the citizens were angry. Painful cuts in spending for education, health care, and low-income people were almost certainly on the way.

The state’s prison system was hardly mentioned in the recall drive, but when Gov. Schwarzenegger took office, he faced overwhelming evidence of incompetence and wrongdoing in California’s (then) $6-billion correctional system, threatening both public safety and the state’s ability to bring its finances under control. Unlike most politicians, who steer clear of prison issues for fear of being dubbed soft on crime, he broke with tradition and vowed to bring rehabilitation to the prison system, promising to emphasize education, job training, and drug treatment. Commentators said that little was at stake politically for Schwarzenegger in endorsing rehabilitation, because no opponent would get very far accusing him of being soft on crime, given his personified toughness on the movie screen. As the Los Angeles Times wrote about Schwarzenegger’s ability to bring the Department of Corrections under control, “If not the Terminator, who?”

Gov. Schwarzenegger made a commitment to reform California’s correctional system early in his administration. During his campaign, he vowed to clean up special-interest politics in state government, and on the campaign trail he often mentioned the California Correctional Peace Officers Association (CCPOA), the prison guards’ union,
as one of the powerful special interests he would tackle if elected. His explicit reference to the overreaching influence of the CCPOA, as well as his own refusal to accept campaign donations from the association, reflected a shift in California gubernatorial politics. Incumbent Gov. Davis had received more than $3 million in campaign contributions from CCPOA and allegedly used his political connections to pass a favorable labor contract for them in 2002. California’s prison guards receive the highest salary and benefits among their peers in the nation.6

On the day of Schwarzenegger’s election, he was photographed on the steps of the Capitol holding a broom, a reference to his promise to clean up political influence in the state, and he said he would start with corrections. He later announced,

It is a priority of my administration to reform the California prison system. . . . It has been marred by too much political influence, too much union control, and too little management courage and accountability. . . . California was once the national leader, a pioneer, in corrections. . . . We can make it so once again.7

Now, more than six years since Gov. Schwarzenegger promised to reform California corrections, he will soon complete his last year as a two-term governor and is ineligible to run for reelection. It is reasonable to ask, What prison reform was achieved? How many of the promises made were followed through? What do Gov. Schwarzenegger’s achievements portend for the future of California corrections?

These questions are incredibly complex and they are impossible to comprehensively address in the space provided here. I suspect each of us will remember this period of California history differently depending on what we saw, what issue we worked on, and how progress measured up to our expectations. I am writing from the perspective of an academic who worked with the Schwarzenegger administration on three particular initiatives: the reorganization of the state’s corrections agency, the expansion of in-prison rehabilitation programs, and the restructuring of parole supervision and parole revocation. One thing seems certain: Never before have so many academics been involved in California corrections policy work, perhaps ushering in a new era of evidence-based crime policy. Sharing our experiences should benefit the field of criminology and the real world of crime and justice practice.

II. What Prison Reform Was Achieved?

So Much Reform, So Little Change

Depending on one’s point of view, one could judge Gov. Schwarzenegger’s prison-related accomplishments by asking the time-honored question, Is the glass half empty or half full? On the one hand, California’s budget deficit is worse than when he was elected and is projected to balloon to $24 billion over the next eighteen months. State workers are now subject to furloughs and layoffs, and cuts to health, education, and welfare programs have been significant. So, it is clear that the state’s finances have not improved under Schwarzenegger’s administration—but of course California’s budget crisis is an extraordinary circumstance.

But Gov. Schwarzenegger did publicly promise to control correctional spending and reduce the size of the prison population. In 2004, he promised no new prisons, but quickly abandoned that goal and opened up the state’s thirty-third prison in the Central Valley city of Delano just a year later. By 2006, he was publicly advocating for two new prisons. Then, in May 2007, he signed the Public Safety and Offender Rehabilitation Services Act of 2007 (AB 900), which provided $7.7 billion to add 53,000 state prison and county jail beds, the largest single prison construction program in California history.

When Gov. Schwarzenegger took office, the prison population stood at 160,000 inmates. In 2004, he told the California Legislature that his administration would reduce the size of the prison population by 15,000 in 2005 by implementing a number of parole reforms. Under these reforms, the Schwarzenegger administration promised the first substantial drop in the state’s inmate population in more than twenty years and projected that the prison population would decline to its mid-1990 levels (about 145,000 in 1996). No reductions in overall prison populations occurred, and by December 2009, the California prison population stood at 170,973.

Gov. Schwarzenegger also specifically promised to reduce the costs of prisons when he took office. The annual cost of housing a California prisoner in 2003 was $28,000; it is now $49,500, a 43 percent increase. Moreover, the state corrections budget was $6 billion in FY 2003–2004 (about 5 percent of the state’s general fund), but by 2009–2010 it had grown to $8.2 billion general fund spending (more than 10 percent of California’s general fund spending). Prisons have replaced the university as the California institution of priority—the state will spend $3 billion more on prisons than what is budgeted for the University of California and California State University systems combined. California now spends more per capita on its prisons than any state of comparable population.8 Despite this increased spending, recidivism rates have remained largely unchanged.

Arguably, the Governor does not have control over the state’s overall correctional budget. The budget of the California’s Department of Corrections and Rehabilitation (CDCR) is mostly determined by the number of inmates sent to prison by the counties and the labor costs associated with their housing. Judicial intervention, particularly two long-running and related class action cases, Plata v. Schwarzenegger and Coleman v. Schwarzenegger, have forced additional expenditures on health care and other services, nearly all of which fell outside the control of the Governor’s office.

But the Governor’s policies can influence programming within the prisons and parole, and he promised to increase
rehabilitation. Did he? He did blow up the boxes and reorganize the former Youth and Adult Corrections Agency (YACA), the mega-agency responsible for all youth and adult corrections in California. The 2005 reorganization changed the name of YACA to the California Department of Corrections and Rehabilitation and the Governor said that the reorganization would be more than simply a name change. In signing the legislation that made it happen, he said: “It is a new day for Corrections in California. . . . After 30 years of stressing punishment, rehabilitation is back.” He told reporters that when it comes to rehabilitation services for prisoners, “We have to heal them. We have to get them ready to go out so they can get a job, connect with society, and never commit a crime again.”

Did Schwarzenegger deliver on his promise to increase rehabilitation programs? The short answer is no. Despite the near doubling of the annual costs of housing a prisoner during his term, the percent allocated to work and treatment programs did not increase. In fact, just $2,000 of the current $49,500 (less than 5 percent) goes to fund rehabilitation programs—about the same percentage as when he took office (and when Corrections publicly acknowledged stressing punishment over rehabilitation). Moreover, as part of the recently passed 2009–2010 state budget, prison officials are required to cut $250 million from rehabilitation and education services, an amount that represents more than a third of last year’s entire budget for adult rehabilitation programs and will result in the layoffs of about 700 employees who work in education, substance abuse, and vocational training. Remaining substance abuse programs will be shortened, and inmate and community volunteers will replace certified counselors and teachers.

California’s Expert Panel Report found that fewer than 10 percent of all prisoners participated in a substance abuse program while in prison, despite the fact that 80 percent of them had substance abuse histories. With these cuts, the number and quality of rehabilitation programs will be further reduced. These program cuts are particularly disheartening because these are the exact same evidence-based programs that CDCR increased over the last two years; a large body of scientific evidence has shown that these programs save money in the long run by reducing recidivism.

Equally disheartening was when the Governor backed off from his proposal to place 4,500 low-risk, nonviolent female prisoners in community correctional facilities closer to their families. CDCR’s reorganization established a new unit, the Female Offender Programs and Services, to oversee the effort. That unit, along with consultants Drs. Bloom and Owen, worked tirelessly to design an innovative program for female prisoners that would have saved money and reduced recidivism. But the Governor pulled back his support when critics challenged his proposals, arguing that there weren’t many truly nonviolent females in prison, and even if there were, such gender-responsive policies amounted to reverse discrimination. This program was a missed opportunity to implement an evidence-based and cost-effective intervention.

So, in terms of controlling corrections costs, imposing a moratorium on new prison construction, or expanding rehabilitation programs, Gov. Schwarzenegger’s administration failed. Of course, the Governor does not and cannot act alone in governing the state, but he did vow to do more on his watch than simply incapacitate prisoners—and there is no evidence that this happened.

### III. Schwarzenegger’s Corrections Legacy?
#### Restoring the Balance Between State and Local Responsibilities

Despite these failings, several of the Governor’s initiatives have the potential for dramatically changing the face of California corrections. These groundbreaking initiatives, when considered together, systematically shift the handling of low-level, nonviolent juvenile and adult offenders from the state to the counties and, as a result, hold the key to fixing overcrowded prisons and delivering evidence-based corrections programs.

The specific reforms are (a) the downsizing of the state’s system for incarcerating juvenile offenders, (b) the elimination of supervised parole for nonviolent, nonserious adult offenders, and (c) new policies that divert juvenile and adult technical parole violators from returning to prison, and (d) new incentive funding for adult felony probation supervision.

### A. Reducing Juvenile Incarceration

California’s system of punishing juvenile offenders changed dramatically in 2007, when the state took the historic step of turning over responsibility for all but the most serious and violent youth offenders to the counties and, in turn, providing counties with resources to handle the expanded population. The state’s efforts were the consequence of a class action lawsuit filed by the Prison Law Office, a California inmate-advocacy organization. Initially filed in 2002, the Farrell case alleged illegal and inhumane conditions, deficient programming, and lengthy facility lockdowns for California’s juvenile offenders. Facing the possibility of stiff penalties and of having to pay high costs for facility upgrades, Gov. Schwarzenegger settled the Farrell v. Tilton case in 2004. In announcing the court settlement, Gov. Schwarzenegger promised to put the agency’s focus back on rehabilitation. At the time of the settlement, the state system housed about 3,700 youthful offenders.

In January 2005, California officials and the Prison Law Office reached a historic agreement on a schedule for reforming the juvenile system to provide a therapeutic environment for juvenile offenders. In 2006, a team of national experts released a comprehensive report describing the problems in California’s juvenile facilities as the result of a “broken” system that was both overly expensive and ineffective. Since then, a special master has been appointed in the Farrell case and has filed periodic reports...
detailing the significant changes in conditions at state facilities. The agreement between the state and the Prison Law Office created a blueprint for the incarceration of youth in state facilities and, perhaps most important, created a system for transferring all but the most serious offenders back to the counties.

The Governor signed the Juvenile Justice Realignment Act (Senate Bill 81) in 2007, codifying realignment of state juvenile corrections. SB 81 prohibits the commitment of a ward of the juvenile court to state-level incarceration unless the ward has been adjudicated of the most serious and violent offenses. Additionally, non-serious or nonviolent youth offenders under state parole supervision who violate a technical condition of parole (e.g., positive drug test) cannot be returned to a state facility and instead remain the responsibility of county probation officials.

The de-incarceration of youthful offenders in California represents a dramatic policy change. Ten years ago, the California Youth Authority (now the Division of Juvenile Justice) housed more than 7,000 youths. Today, although the overall California population had increased by more than 10 percent in the past decade, the number of youth in state-level incarceration declined by 80 percent and is now fewer than 1,600. Once realignment is fully implemented, CDCR projects that a steady population of less than 1,500 youth will remain in state facilities.

As the juvenile-corrections population shifted to the counties, the state was able to close two of its largest facilities and thus saved more than $100 million, according to a report by the Legislative Analyst’s Office, a nonpartisan policy-advisory agency. Moreover, a report by the Center on Juvenile and Criminal Justice found that the changes have resulted in many youthful inmates having better living conditions, increased behavioral counseling, and improved access to their families. These successes encouraged several state organizations, including the Little Hoover Commission, to recently endorse closing down the entire Division of Juvenile Justice and transferring all remaining youth to county probation departments. Moreover, the perceived success of the depopulation of youth in state facilities influenced subsequent legislation on parole and probation reform.

B. Eliminating Supervised Parole and Changing Revocation Policies for Selected Adult Offenders

California’s parole system is the largest in the nation—probably the world. About 120,000 people are released from California prisons each year and, until January 2010, every one of them was put on parole, regardless of their conviction crime. Other states put only a proportion of released offenders on parole. In Ohio, Massachusetts, and Florida, for example, just 40 percent of offenders released from prison get parole supervision, because those 40 percent are deemed to be the highest risk and thus get more attention. California was the only state that put everyone on parole supervision for at least one year.

As California’s prison population grew, so did its parole population and the number of parole violators returned to prison. Two thirds of all released parolees in California are back in prison within three years, a proportion twice the national average. Due to their high failure rates, parolees account for the bulk of California prison admissions. In 2008, nearly 70,000 parolees were returned to California prisons for parole violations, serving an average prison term of about four months each for those violations. According to a recent report, 10.5 percent of the state’s prison population are there for a parole violation. This catch-and-release system is costly—from both an economic and a public safety standpoint—and is at the root of the state’s overcrowding situation.

Every major report on the California corrections system published since the early 1980s has recommended fundamental parole reform; finally in 2009, that reform happened. As Senator Mark Leno, chair of the state’s public safety committee wrote:

“The Legislature finally broke through nearly impos- sible political barriers and in September enacted a set of evidence-based reform to California’s correctional system. . . . These reforms make common-sense revisions. . . . They refocus parole to apply limited resources on higher-risk offenders, and will improve how parolees are supervised.”

The recently passed Corrections Reform Bill (SB 318) requires that CDCR use a risk-assessment instrument for all individuals being released from prison. California’s Static Risk Assessment, developed in 2009, is a validated tool that predicts offenders’ risk of reoffending on the basis of static demographic and prior criminal record information. The development of this tool was a high priority for CDCR and the Governor. As part of the Corrections Reform Bill, CDCR will use the risk score to assign levels of parole supervision. The most serious and violent offenders will be assigned to smaller parole caseloads and watched more closely (increasing supervision ratios to 45:1 instead of 70:1).

Parolees who are identified as low and moderate-risk offenders and have nonserious, nonviolent and non-sex-offense backgrounds will be placed on summary parole caseloads. Individuals on summary parole caseloads will not be actively supervised and will not be returned to prison for violating technical parole conditions. Parolees on banked caseloads will still be subject to warrantless searches by law enforcement. When a parolee is rearrested, the new legislation requires that CDCR standardize penalties for parole violations by using the recently developed Parole Violation Decision Making Instrument (PVDMI). The PVDMI was another priority of the Schwarzenegger administration, and now that the tool is available, its use prioritizes community-based sanctions (rather than prison) for low-level offenders and less serious violations. Parole violators with a history of substance abuse or mental illness
may also be referred to a reentry court, funding for which was also endorsed in the legislation.

The importance of the Corrections Reform Bill, which went into effect in January 2010, cannot be overstated. This Bill has the potential to forever change California’s parole system, reducing the overall number of inmates placed on parole supervision, intensifying supervision for the most dangerous parolees, and systematically diverting less serious parolees to community-based programs.

C. Increased Funding for Adult Felony Probationers
California currently supervises about 270,000 adults on probation annually, many of whom receive little or no supervision. When they are rearrested or fail to comply with their probation terms, they are frequently sent to prison. About 10 percent of California’s new admissions to state prison each year are offenders who have failed on felony probation. California’s Chief Probation Officers had long argued that if the state would share a portion of the savings it would gain if probationers were diverted from prison, better felony probation programs could be provided.

Finally heeding these arguments, the legislature passed the California Community Corrections Performance Incentives Act (SB 678) in 2009. The bill is closely modeled after the successful juvenile justice realignment effort discussed previously, and became operational on January 25, 2010. Under SB 678, county probation departments will receive a portion of CDCR savings if they can show that felony probationers who would otherwise be sent to prison remain under their jurisdiction. The Act launches an innovative system of performance-based funding for supervising adult felony probationers, and because the state saves on reduced prison admissions, more and more of those savings are passed on to local probation departments based on their individual success rates. For their part, probation departments must set up local advisory boards and provide evidence that they are funding evidence-based programs. Ultimately, this legislation redirects a portion of state correctional dollars to adult probation departments, which have long been starved for funding. It will allow them to test whether early-intervention rehabilitation programs can prevent many probationers from escalating their criminal careers and eventually being sent to prison.

IV. Concluding Remarks
These policy reforms, when considered together, represent a dramatic and historic shift in California’s approach to criminal offenders. They all have a common devolution theme, and use financial incentives to encourage a rebalancing of responsibility from the state to the counties for the handling of criminal offenders. For the last three decades, the financial incentives have worked in the opposite direction. Berkeley Law Professor Frank Zimring has referred to this situation as a correctional free lunch, where counties have no financial incentive to keep offenders local because state government pays all the bills for prison.

This shifting of responsibilities between the state and the counties began when California passed its Determinate Sentencing Law in 1976. Determinate sentencing eliminated discretionary parole release, and the state prison system lost its power to set the duration of prison stays. The discretionary power to decide who goes to prison and how long they serve (within legal limits) shifted to county prosecutors and judges. As jails became overcrowded—today more than twenty California county jail systems operate under court-ordered population caps—sheriffs were forced to release inmates early, before they had served their time. Some judges and prosecutors, frustrated with the releases and diversions, started sending less serious offenders to state prison in order to ensure that they wouldn’t be immediately released. This trend, in combination with new laws that mandated incarceration rather than probation for more crimes, had substantial adverse impacts on the operation of local criminal justice systems. Over the past thirty years, California counties have gradually shifted an increasing number of low-level offenders to prison. Until 1984, equal numbers of people served time in state prisons and local jails. That’s no longer the case. Today, state prisons house more than 170,000 offenders; local jails, about 75,000.18

The Schwarzenegger initiatives described in this article—possibly the most significant along these lines in California history—could set in motion a shifting of funding and responsibilities back to local community corrections. This change is important not only because of the potential cost savings but also because research has shown unequivocally that the most effective rehabilitation programs take place in the community rather than in prisons. There is now a body of evidence showing that well-designed rehabilitation programs can reduce recidivism by 5 percent to 30 percent and be cost effective.19 Programs that operate close to home, near services and family, hold the most promise for long-term reductions in recidivism.

The key is to ensure that when the state shifts these less serious offenders to county responsibility, the necessary resources follow to provide for drug and alcohol treatment, mental health services, and housing and employment assistance. Cash-strapped county governments can’t absorb these costs, and if offenders are left unassisted and unsupervised, criminal behavior increases and re-incarceration in both jails and prisons rises. This situation puts everything exactly back to where it started, having simply shifted the problem and costs to local rather than state government. But if these programs are adequately funded and prove successful, California will be able to reduce its overreliance on prisons and reallocate some of its $10 billion prison spending to funding for education and prevention programs that might reduce the cycle of crime and incarceration.20 If this justice reinvestment happens, the action-movie hero’s role in California government will have resulted in a happy ending after all.
Notes
3 See the Prison Law Office summary of major cases at http://www.prisonlaw.com/cases.php (last visited December 10, 2009).
6 Joan Petersilia, Understanding California Corrections (California Policy Research Center 2006).
8 See Brian Joseph & Tony Saavedra, Excess, deprivation mark state prisons, Orange County Reg., Dec. 9, 2009, at A1.
11 Supra note 4.
17 California’s Parole Violation Decision Making Instrument (PVDMI) is described on the CDCR Web site at http://www.cdcc.ca.gov/PVDMI/Q_and_A.html. Details about California Static Risk Assessment can be found in a presentation by Susan Turner, UCI Center for Evidence Based Corrections, at http://ucicorrections.seweb.uci.edu/pubs.
20 In the 2009–2010 budget, CDCR received a $1.2 billion cut.