

# California State Assembly



## Agenda

### Assembly Budget Subcommittee No. 6 on Public Safety

Assemblymember James Ramos, Chair

Monday, April 15, 2024  
2:30 P.M. – State Capitol, Room 437

Items To Be Heard		
Item	Description	Page
<b>0552</b>	<b>Office of Inspector General</b>	<b>2</b>
Issue	1. Overview of the Inspector General's Office and Special Review	2
<b>5225</b>	<b>California Department of Corrections and Rehabilitation</b>	<b>4</b>
Issue	2. COVID-19 Mitigation Proposal	4
	3. Medical Program Shortfall	8
	4. Contract Medical Costs	11
	5. California Medical Facility Janitorial Contract	15

**Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the Subcommittee.**

## Items To Be Heard

### 0552 – Office of Inspector General

#### Issue 1: Overview of the Office of Inspector General and Special Review

The Office of Inspector General (OIG) will provide an overview of their office and the recently released special review of CDCR’s staff misconduct process.

#### Panel

- Amarik Singh, Inspector General, Office of the Inspector General
- Chris Chambers, Director, Division of Internal Oversight, CDCR
- Deanna Gouldy, Deputy Director, California Correctional Healthcare Services, CDCR

#### Background

The Office of Inspector General (OIG) has provided a factsheet that details their history and duties. This document is available on the Assembly Budget website.

**Staff Grievance Process.** CDCR is under federal court orders (Coleman, since 1995, and Plata, since 2006) for failing to provide a constitutional level of mental and medical health care. In addition, CDCR is under the Armstrong remedial plan, stemming from violations of the Americans with Disabilities Act and the Clark remedial plan to address issues specific to prisoners with developmental disabilities. The impetus for this new grievance review/staff complaint process was partially based on a 2019 report, released by the Office of Inspector General (OIG), regarding staff complaints at Salinas Valley State Prison (SVSP). The OIG also made several recommendations as a result of these findings, including a complete overhaul of the system to address independence and quality issues, the provision of comprehensive and ongoing training of staff, and audio and/or video recording of witness interviews.

Since 2019, CDCR has worked to develop a new staff complaint process to address concerns raised by the Armstrong plaintiffs, the OIG, the Legislature, and the incarcerated individuals. After a series of changes to the 2019 proposed “Allegation Inquiry Management Section,” and new emergency regulations, CDCR had proposed a new process for allegations against staff by an incarcerated person or a parolee in 2022. The new process routes all grievances to a new Centralized Screening Team located within the Office of Internal Affairs to determine how each grievance will be handled.

CDCR has received 544 budgeted positions as well \$64 million in one-time costs and \$102 million in ongoing costs to implement the staff grievance process, including the purchase of cameras.

**2024 OIG Special Review.** The OIG released a special review in January of 2024 titled “The Department Violated Its Regulations by Redirecting Backlogged Allegations of Staff Misconduct

to Be Processed as Routine Grievances.” Some of the key findings from the special review include:

- CDCR violated its regulations by redirecting backlogged allegations of staff misconduct to prisons for processing and review.
- CDCR allowed the statutes of limitations to take disciplinary action to expire in many grievances before they were redirected.
- CDCR did not adequately address or investigate allegations of staff misconduct that were redirected as routine grievances
- CDCR did not investigate in a timely manner the redirected allegations of staff misconduct.
- CDCR mishandled some redirected grievances by improperly rejecting or closing them.
- Some redirected allegations of staff misconduct were investigated by staff ranked lower than the staff alleged to have committed misconduct

**Staff Recommendation:** This is an informational item.

## 5225 – California Department of Corrections and Rehabilitation

### Issue 2: COVID-19 Mitigation Costs

The California Department of Corrections and Rehabilitation (CDCR) will provide an overview of their proposal related to COVID-19 mitigation.

#### Panel

- Duane Reeder, Deputy Director, California Correctional Health Care Services, CDCR
- Dr. Renee Kanan, Deputy Director, Medical Services, CDCR
- Alyssa Cervantes, Department of Finance
- Allison Hewitt, Department of Finance
- Orlando Sanchez Zavala, Legislative Analyst’s Office
- Drew Soderborg, Legislative Analyst’s Office

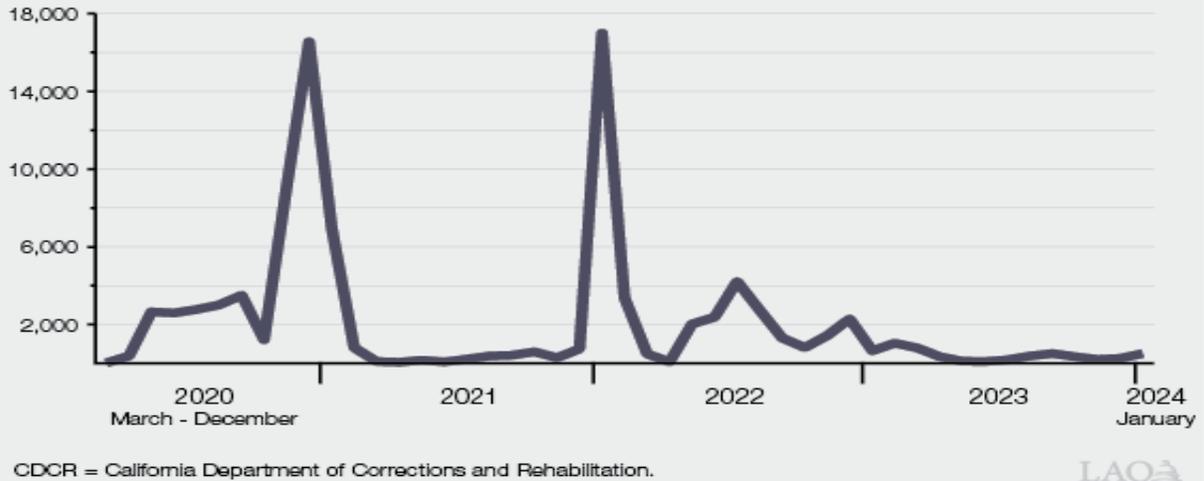
#### Background

Between the start of the pandemic and January 28, 2024, a total of about 96,000 COVID- 19 cases have been reported by CDCR as occurring within prisons. There have been 263 incarcerated people and 50 staff who have had COVID- 19- related deaths. During this time period, CDCR implemented several restrictions and operational changes to reduce the spread of the virus within its institutions including suspending visiting and rehabilitation programs, reducing the density of dormitories by housing some people in open areas, and suspending non-urgent health care services. To reduce transmission, staff and people held in CDCR were generally required to be masked and regularly tested. However, some of these restrictions and changes are no longer in effect as the severity of the pandemic has abated. For example, the department has resumed visitation and rehabilitation operations and face coverings are generally optional in most areas of prisons.

According to data reported by CDCR, COVID- 19 continues to spread in prisons but at a lower rate than the initial years. Figure 6 shows CDCR’s reported number of new confirmed cases each month. As shown in the figure, new confirmed COVID- 19 cases have declined over time and the spikes in new cases observed annually in the months of December and January have also decreased in magnitude. For example, at its peak in the December to January period of 2020- 21, there were a total of about 23,500 new COVID- 19 cases compared to a total of about 500 new COVID- 19 cases reported in the December to January period of 2023- 24. The decrease in the prevalence of COVID- 19 in the prisons has resulted in reduced COVID- 19- related workload. For example, January 2024 data shows that CDCR is testing about 400 people per week for COVID- 19, compared to about 3,600 per week in January 2023.

Figure 6

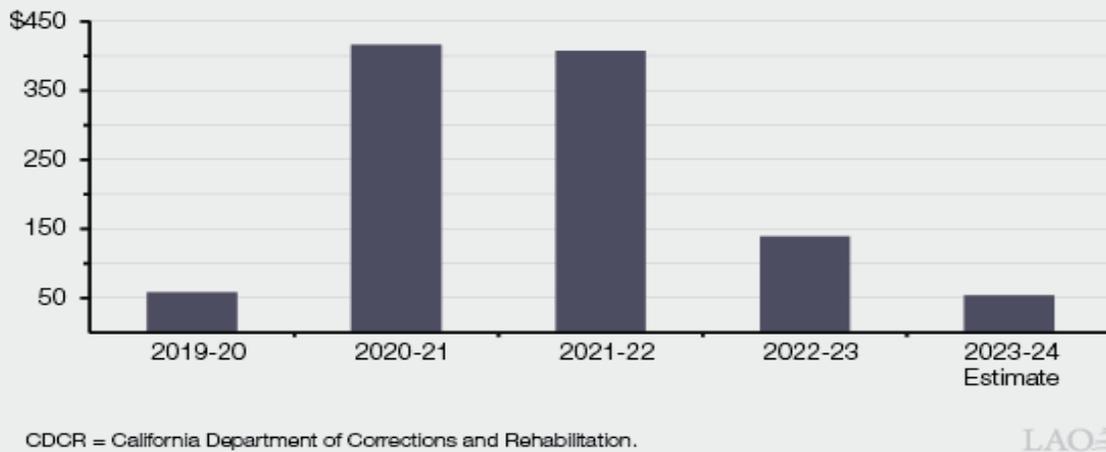
**Number of New Cases of COVID-19 Reported Has Declined**  
New CDCR COVID-19 Cases



By the end of 2023- 24, CDCR expects to have spent a total of \$1.1 billion since the beginning of the pandemic on COVID- 19 health care costs. The majority of this amount occurred in 2020- 21 (\$416 million) and 2021- 22 (\$407 million). The 2023 Budget Act provided \$97 million for CDCR’s COVID- 19 response, of which approximately \$54 million will be spent.

Figure 7

**CDCR COVID-19 Health Care Spending Has Declined**  
(In Millions)



**Governor’s Proposal**

The Governor’s Budget requests \$38.4 million General Fund in 2024-25 and ongoing for continued health care costs related to the prevention and mitigation of and response to COVID-19 and provisional budget bill language allowing funding to be reduced if actual or estimated expenditures fall below the requested amount. CDCR’s Correctional Healthcare Services has spent \$1 billion from 2019-20 through 2022-23 for COVID-19 prevention, mitigation, and response activities. Specifically, the requested resources will go towards the following:

- **Employee Testing:** \$7.4 million based on a monthly average expenditure for employee testing from April 2023 to September 2023.
- **Incarcerated Person Testing:** \$13.2 million based on a monthly average expenditure for incarcerated person testing from April 2023 to August 2023.
- **Other Staffing and Operational Costs:** \$6.7 million based on a monthly average expenditure for the treatment of incarcerated persons from April 2023 to May 2023, additional staff time required for COVID-19 patient needs from June 2023 to September 2023, and to continue wastewater testing efforts.
- **Personal Protective Equipment:** \$4.8 million based on an average monthly expenditure from January 2023 to May 2023 for rapid COVID-19 test kits and other COVID-19 medical supplies, such as masks, gowns, respirators, and misc. supplies.
- **Vaccines:** \$6.3 million based on projected annual vaccine needs for staff and incarcerated persons.

**Legislative Analyst’s Office (LAO)  
Comments**

The LAO provides the following analysis and recommendations.

***Request Does Not Account for Recent Trends, Reflect a Standardized Methodology, or Projected Decline in Population.*** We find that the department’s proposed methodology to estimate its funding need does not factor in recent trends in COVID- 19 prevalence, is not based on a standardized methodology, and does not reflect projected declines in the prison population. For example, the department’s methodology to estimate its funding need for testing of the prison population factors in expenditures between April 2023 and August 2023. As a result, CDCR’s ongoing level of resources for testing of the prison population would be based on trends that do not reflect more recently available information given that CDCR indicates it will not update its request in the spring. This budgeting approach raises further concerns because it is not standardized to include the same months in the calculations for each of the expenditure categories. For example, it is unclear why the ongoing level of funding for testing of the prison population should be based on average expenditures between April 2023 and August 2023, while the funding for testing of staff should be based on average expenditures between April 2023 and September 2023. Moreover, the proposal assumes CDCR expenditures on COVID- 19 health care costs will remain the same despite the fact that the prison population is

projected to decline both in 2024- 25 and future years, suggesting the department's resource need will also decline going forward.

***CDCR Has Not Explored Options to Reduce State Spending by Leveraging Employee Health Insurance.*** The state offers employer- sponsored health insurance to state employees, including CDCR. As such, CDCR staff are able to receive vaccinations against COVID- 19 from their employer- sponsored health insurance. Notably, all employer- sponsored health insurance plans offered through the state provide COVID- 19 vaccinations at no- cost to the employee. When asked whether the department could leverage employee health insurance to offset the vaccine costs for employees, CDCR indicated that it had not explored such an option. This is noteworthy given that the department is requesting resources for staff vaccinations against COVID- 19 on an ongoing basis.

### **Recommendations**

***Withhold Action on Budget- Year Request and Direct CDCR to Provide Updated Proposal.*** We recommend that the Legislature withhold action on the Governor's proposed resources for COVID- 19- related health care costs in CDCR in 2024- 25. We also recommend the Legislature direct the department to update its 2024- 25 request in the spring to reflect more recent data. In doing so, the department should use a standard snapshot of months when calculating its need for each of the activities it is requesting resources for and provide justification for why that set of months is reflective of its costs. Additionally, the department should adjust the proposal to reflect the fact that the prison population is expected to decline between 2023- 24 and 2024- 25. Finally, we recommend the Legislature direct CDCR to explore options to leverage the state's employer- sponsored health insurance to reduce the funding needed for employee vaccines and further adjust the proposal as necessary to reflect any resulting savings from doing so. These adjustments would likely reduce the overall cost of the proposal, freeing up General Fund resources that could be used to address the fiscal difficulties facing the state in the budget year.

***Reject Funding for Future Years.*** We recommend that the Legislature reject the funding proposed for the future and fund the department's COVID-19 related health care workload on a one- time basis. The department has provided little reason to think that its COVID-19 related funding needs will remain at 2023 levels in the future, particularly given the projected decline in the prison population. Moreover, funding such a request would increase the department's baseline spending in the future, and we find that it is not prudent to make such a commitment given the fact that our office projects the state's fiscal difficulties will continue in future years.

**Staff Recommendation:** Hold Open.

**Issue 3: Medical Program Shortfall**

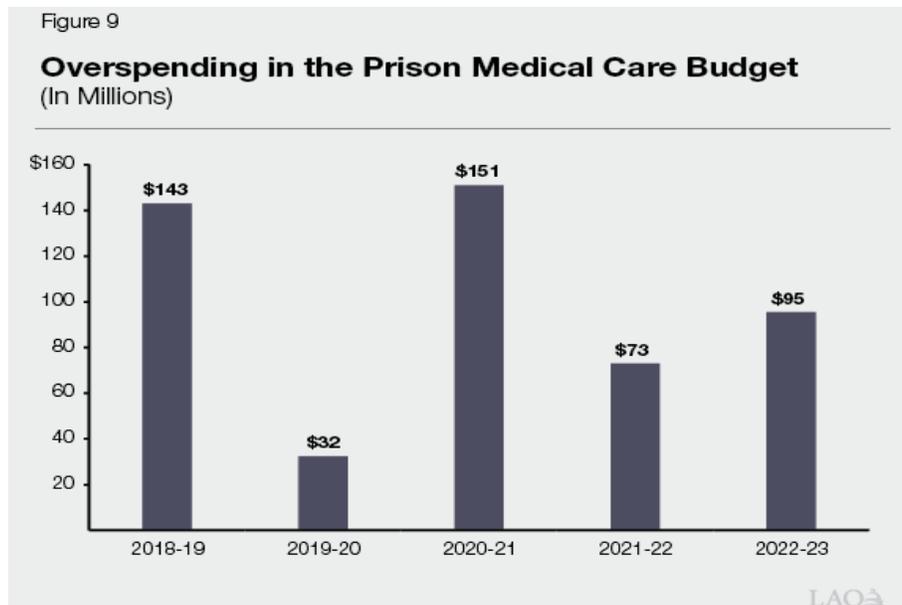
CDCR will provide an overview of their medical program shortfall proposal.

**Panel**

- Duane Reeder, Deputy Director, California Correctional Health Care Services, CDCR
- Dr. Renee Kanan, Deputy Director, Medical Services, CDCR
- Orlando Sanchez Zavala, Legislative Analyst’s Office
- Drew Soderborg, Legislative Analyst’s Office
- Alyssa Cervantes, Department of Finance
- Allison Hewitt, Department of Finance
- Janice O’Malley, Legislative & Political Action Representative, American Federation of State, County, and Municipal Employees (AFSCME)

**Background**

**CDCR Consistently Overspends Prison Medical Care Budget.** Since 2018- 19, CDCR reports that it has exceeded its General Fund prison medical care budget by tens of millions of dollars to hundreds of millions of dollars annually, as shown in Figure 9. According to the department, this shortfall is the result of overspending on personnel- related expenditures. Specifically, the department cites costs related to vacancies including spending on overtime for staff that must complete workload associated with vacant positions and registry (contractors that provide services on an hourly basis when civil servants are unavailable). The department also cites costs related to workers’ compensation claims and lump sum payouts (payments made to employees to compensate them for unused leave when they leave state service) as contributing to the overspending in the prison medical care budget.



**CDCR Has Addressed Overspending Without Additional Funding.** CDCR indicates that it has been able to address the overspending in the prison medical care budget in previous years without requiring additional funding. According to the department, it has been able to redirect savings from vacancies elsewhere in the CDCR budget, including from mental health services, to cover the overspending in the prison medical care budget.

**Governor’s Proposal**

The Governor’s Budget requests \$40 million one-time General Fund in 2024-25 to cover a projected shortfall within CDCR’s medical program. The proposed resources will be utilized primarily to pay for medical registry costs due to CDCR’s high vacancy rate for medical positions. Specifically, of the authorized 13,675.6 authorized positions, 10,455 positions are filled leaving a vacancy of 3,220.6 positions or a 24% vacancy rate. Vacancy rates vary by prison. The following table shows the variation at each prison.

**Legislative Analyst’s Office (LAO)  
Comments**

The LAO provides the following analysis and recommendations.

***Unclear Why Department Needs Additional Funding to Address Potential Overspending.***

In recent budget years, CDCR has been able to address its overspending in the prison medical care budget within its existing budget authority by using savings elsewhere in its budget. The department has not provided any information on why redirected savings will not be available to do so in the budget year. Moreover, to the extent that the department does overspend in the prison medical care budget during the budget year and cannot redirect savings to address it, the department can seek additional funding through Item 9840- 001- 0001 in the Governor’s proposed budget. Specifically, Item 9840- 001- 0001 includes \$55 million to augment departments’ General Fund budgets upon approval of the Director of DOF no sooner than 30 days after notification to the Joint Legislative Budget Committee. In the event that this \$55 million is used for other contingencies and is unavailable to support the prison medical care budget, we note that Item 9840- 001- 0001 outlines a process through which the administration can request a supplemental appropriation to address these costs.

***Inadequate Justification Provided for \$40 Million.***

CDCR has not provided sufficient data supporting its need for the requested \$40 million. For example, the department has not provided a back- up calculation showing how it projected that \$40 million in overspending would occur. As a result, it is difficult for the Legislature to assess whether this is a reasonable estimate, particularly because there is no discernable pattern in the department’s overspending in previous years. In addition, the fact that the department does not expect to overspend its prison medical care budget in the current year raises questions about why it expects to do so in the budget year. This lack of justification is particularly notable given that the state is currently facing a budget problem. Accordingly, proposals for new spending should meet a higher threshold before being approved. Given the lack of justification, the proposal does not meet this higher threshold in our view.

## **Recommendation**

**Reject.** We recommend that the Legislature reject the Governor’s proposal. We find that the proposal does not make it clear why CDCR needs additional funding to address potential overspending in the prison medical care budget and cannot redirect funding from elsewhere in its budget as it has done previously. Moreover, even if overspending cannot be addressed by redirecting funding, the department can seek additional funding through Item 9840- 001- 0001 or a supplemental appropriation. Finally, the proposal does not provide adequate justification for the requested \$40 million, particularly given the budget problem facing the state. We note that rejecting this proposal will help the state address its budget problem.

## **Staff Comment**

CDCR provided the following comment related to recruitment for vacant medical positions:

“Recruitment successes or challenges are influenced by location, mission/work environment, cost of living, and university, college, or trade school opportunities that offer nursing/medical programs within close proximity of the institution’s location. The positions with the least amount of challenges to recruit for are in lower cost of living locations, with educational opportunities near the community, regardless of the classification. Positions with the greatest challenges are in rural/remote or high cost of living areas. Additionally, the Department faces challenges competing against an overall nationwide increase in demand for health care workers, due to the challenging work environments.”

CDCR has made a number of efforts to address and improve its recruitment challenges. For example, CDCR has hosted a number of hiring events that allow prospective candidates to submit job applications, take exams and be interviewed. In 2022, 1,750 people attended the hiring events, interviewed 1,364 candidates, 1,000 jobs were offered onsite and 69% of those offered have begun their positions. Twelve events were held in 2023 and 5 are scheduled for 2024.

Across the state, there are approximately 2,500 vacancies for medical related positions resulting in \$350 million in savings that CDCR has redirected for purposes such as registry costs, overtime, worker’s compensation, etc. Some prisons experience fairly minimal vacancies, like Avenal State Prison with 10.1 vacancy positions for medical staff. Other prisons have significant vacancies, including Salinas Valley State Prison (274.2), California Medical Facility (256.6), and California Health Care Facility (578.42). In addition, variation exists among pay rates for health related civil service and registry positions. For example, some positions like psychiatric technicians and optometry positions, have higher average rates (24% and 45% respectively) for registry positions, compared to civil service positions. Other positions, like pharmacy, are higher for civil service positions by an average of 24%. In addition, medical staffing vacancies vary across all prisons. The duration of vacancies have been one month to more than 19 months for the various medical positions.

**Staff Recommendation:** Hold Open.

**Issue 4: Contract Medical Costs**

CDCR will provide an overview of their proposal related to contract medical costs.

**Panel**

- Duane Reeder, Deputy Director, California Correctional Health Care Services, CDCR
- Dr. Renee Kanan, Deputy Director, Medical Services, CDCR
- Orlando Sanchez Zavala, Legislative Analyst's Office
- Drew Soderborg, Legislative Analyst's Office
- Joshua Wittmershaus, Department of Finance
- Allison Hewitt, Department of Finance
- Janice O'Malley, Legislative & Political Action Representative, American Federation of State, County, and Municipal Employees (AFSCME)

**Background**

CDCR's contract medical budget is funded through a previously established methodology in 2012-13 that assumed a flat rate of \$2,763 per incarcerated person. As a result of the decrease in the incarcerated population since 2018-19 and the associated population-related adjustments (which do not have a relationship to actual departmental costs), CDCR states the funds allocated for contract medical are no longer sufficient to meet their estimated expenditures for these services. In addition, CDCR has funded medical parole costs within existing resources, and the medical parole population has increased from an average monthly population of 27 in 2019-20 to 50 between 2020-21 and 2022-23. Additionally, CDCR pays a fee for each claim for contract medical services when patients are referred for specialty services. Through the biannual adjustment process, CDCR is typically budgeted for contract medical services based on the: (1) size of prison population; (2) a fixed rate of \$2,763 per person; and (3) a set amount of \$54 million ongoing in federal reimbursement authority. For example, in 2023- 24, this budgeting methodology would have resulted in \$337 million for contract medical services, including \$282 million from the General Fund and \$54 million in federal reimbursement authority.

When CDCR is unable to provide necessary medical services to people held in prison because it lacks the needed equipment or specialist providers, CDCR contracts for these services with external providers. These contract medical services are used in a number of circumstances ranging from trips to emergency departments for physical injuries to chronic medical issues that require specialized treatment. In some cases, providers are brought into facilities to deliver treatment. However, in many cases, people are transported out of a prison to receive care in the community, including inpatient care. Each time CDCR uses contract medical services, they are charged the full medical costs plus a \$19 fee for administrative claims related to processing a patient through a community specialty care provider network. CDCR pays for most contract medical services from the General Fund and in specific circumstances, they may offset a portion of costs with federal reimbursements through Medi-Cal, a program partially funded by the federal government that covers health care costs for low- income people and families, including certain costs for eligible people in prison.

The medical parole program within CDCR allows medically incapacitated people to be placed in licensed health care facilities in the community instead of prison. To be eligible for medical parole, various criteria must be met. For example, CDCR medical staff must determine the person is permanently medically incapacitated and the Board of Parole Hearings must determine that the person does not reasonably pose a threat to public safety. In the event a patient shows significant improvements in their medical condition, the patient can be returned to prison. CDCR states that due to restrictions on the type of facilities it places patients in, it is unable to qualify for federal reimbursement through Medi-Cal for the care provided to people on medical parole. As a result, CDCR pays for the cost of treating each patient—about \$261,000 annually—entirely from the General Fund contract medical services budget. According to CDCR, there have been an average of 50 people on medical parole in the past three budget years and it has spent an average of \$13 million annually on the program.

**Governor’s Proposals**

**Contract Medical Costs.** The Governor’s Budget requests \$36.5 million General Fund in 2024-25 and an adjustment annually thereafter based on a proposed change in methodology to address a structural deficit within CDCR’s Contract Medical subprogram. The methodology is based upon: (1) total projected patient risk level acuities; (2) Medical Parole projections; and (3) administrative costs per claim. In addition, CDCR requests to reduce the Contract Medical reimbursement authority by \$12.1 million ongoing in recognition of lower federal reimbursements that have been remitted to CDCR in recent years. CDCR reports that a decline in the prison population has led to reductions in the amount being budgeted for contract medical services but there has not been corresponding reductions in the number of people in its three highest medical risk categories who are more likely to use contract medical services. The proposal is broken down in the following manner:

**\$3.9 Million Current- Year Augmentation Based on Existing Budgeting Methodology.** CDCR is not requesting additional resources beyond the \$3.9 million proposed in the current year because the \$40 million one- time augmentation that they received in the 2023 Budget Act should minimize need for such additional resources.

**\$24 Million Budget- Year Augmentation Based on New Budgeting Methodology.** CDCR is projecting a decline in the prison population in the budget year that would result in a \$3.4 million reduction to CDCR’s contract medical services budget under the current methodology. However, the Governor proposes four changes to the budgeting methodology used in the biannual adjustment process that would result in a net increase of \$24 million for contract medical services in 2024- 25. This reflects a \$36 million General Fund augmentation and a \$12 million decrease in federal reimbursement authority.

**Legislative Analyst’s Office (LAO)  
Comments**

The LAO provides the following analysis and recommendations:

**No Concerns With Proposed Current- Year Funding Level.** We do not raise any concerns with the proposed \$3.9 million General Fund augmentation to the contract medical services budget based on the current budgeting methodology in 2023- 24. We acknowledge that the weaknesses in the current methodology could result in the department receiving insufficient funds for contract medical services. However, the \$40 million in one- time funding provided as part of the *2023- 24 Budget Act* should minimize the extent to which this occurs.

**Some Proposed Budget- Year Changes to Funding and Methodology Appear Reasonable...**We find that the proposed methodologies used to arrive at the \$8.2 million General Fund requested based on the medical risk of the prison population and the \$13 million General Fund requested for medical parole appear reasonable and would better align the department's budget with its actual needs for those services. Moreover, because this improved methodology would be part of the biannual adjustment process, it would ensure the contract medical services budget remains tailored to the department's needs going forward as the size and makeup of the prison population changes.

**...Except Administrative Claims Funding and Federal Reimbursement Authority, Which Would Not Be Adjusted for Population Changes.** We find that the Governor's proposed funding methodology for administrative claims and federal reimbursement authority is lacking because it would not change based on changes in the size or makeup of the prison population. For example, the department would continue to receive \$15 million General Fund to pay for 800,000 administrative claim fees and \$42 million in federal reimbursement authority each year despite the fact that the prison population is expected to decrease in future years. This is problematic as the total number of contract medical claims will also likely decrease below 800,000, meaning the department will have more funding than it needs for these claims. Similarly, the department's federal reimbursement authority could provide it with more funding than it will be able to qualify for as the population declines. (We note that adjusting the department's reimbursement authority downward to account for reductions in the prison population would not exempt it from statutory requirements to maximize federal reimbursements.) Moreover, the methodology for these aspects of the contract medical services budget is inconsistent with the population-driven methodology proposed for the other portions of the budget.

### **Recommendations**

**Withhold Action and Direct CDCR to Develop Population- Based Budgeting Methodology for Federal Reimbursements and Administrative Claims.** We recommend the Legislature withhold action on this proposal until it is adjusted based on updated population projections as part of the biannual adjustment process at the May Revision. In addition, given that the \$15 million for administrative claims fees and the \$42 million in reimbursement authority is not population- driven, we recommend that the Legislature direct CDCR to develop a new methodology for those aspects of the contract medical services budget that account for changes in the size and/or makeup of the prison population. This revised proposal could be considered by the Legislature at the May Revision. Given that the state is currently facing a budget problem, we note that the Legislature will need to weigh any potential increase in spending related to this proposal against its other spending priorities as it will likely need to offset cost increases with

spending reductions elsewhere in the budget. Accordingly, proposals for new spending should meet a high threshold before being approved.

**Staff Recommendation:** Hold Open.

**Issue 5: California Medical Facility Janitorial Contract**

CDCR will provide an update related to the janitorial contract held by PRIDE Industries at the California Medical Facility which is set to expire in August of 2024.

**Panel**

- Racquel Buckel, Assistant Deputy Director, Facility Support, CDCR
- Chelsea Davis, Operations Manager at California Medical Facility, PRIDE Industries
- Ameer Habeeb, Director, PRIDE Industries

**Background**

PRIDE Industries provides employment and supports to individuals with developmental and other disabilities. Since 2016, PRIDE has provided employment for 425 individuals to work in two of the state prisons, California Healthcare Facility in Stockton (CCHCF) and California Medical Facility (CMF) in Vacaville to provide janitorial services.

On February 17, 2023, CDCR received notice that Service Employees International Union, Local 1000 (SEIU), requested the State Personnel Board (SPB) to review CDCR’s compliance with Title 2, California Code of Regulations Section 547.64 and Government Code 19132 related to the janitorial contract between PRIDE Industries and CDCR at one of its prisons, California Medical Facility (CMF). The SPB ruled that CDCR was not in compliance with the relevant code and statutory provisions.

The contract at CMF is set to expire in August of 2024 which would impact a total of 74 PRIDE Industries staff members. Nearly half of these staff members have various developmental disabilities, including Asperger’s and autism. According to PRIDE, CMF has historically struggled to fill its civil service janitorial positions (75% vacancy rate). Like CCHCF, CMF is required to maintain certain cleaning standards and staffing in order to maintain licensure.

**Staff Comment**

PRIDE Industries sent a letter, dated March 22, 2024, to CDCR Secretary Jeff Macomber with the following two inquiries:

1. If CDCR were to move these existing PRIDE employees to civil service, how [will] CDCR hire, transition, and support them?
2. If hiring PRIDE employees to civil service is infeasible, how is CDCR going to fill these positions? Would CDCR request an additional contract extension and/or undertake additional recruitment activities?

**Staff Recommendation:** Hold Open.

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 6 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Jennifer Kim.