

**AGENDA****ASSEMBLY BUDGET SUBCOMMITTEE NO. 5 PUBLIC SAFETY****ASSEMBLYMEMBER REGINALD B. JONES-SAWYER SR., CHAIR****WEDNESDAY, MARCH 26, 2014  
1:30 P.M. - STATE CAPITOL ROOM 437**

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## VOTE ONLY ISSUES

### 0690 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

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| VOTE ONLY ISSUE 1 |
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- 1) **Statewide Budget Packages and Advanced Planning BCP.** The Governor's Budget proposes \$500,000 (General Fund) to support workload associated with planning capital outlay projects at youth and adult correctional facilities. This workload typically consists of site assessments, environmental reviews, and the development of scope, cost, and schedule projections.
- 2) **Avenal State Prison Medical Inmate Waiting Room BCP.** The Governor's Budget proposes \$575,000 (Lease-Revenue Bonds) to construct a new medical inmate waiting building to comply with the Medical Health Care Facility Components established by the Healthcare Receiver. The project would provide three separate secure waiting areas, a custody station, inmate restroom, and staff restroom.
- 3) **California Correctional Center (CCC) Air Cooling at Lassen Yard BCP.** The Governor's Budget proposes \$597,000 (General Fund) to install evaporative cooling units on the Lassen Yard housing units at the CCC in Susanville to help ensure that the temperatures in the housing units are maintained at or below 89 degrees, as required by CDCR guidelines.
- 4) **Folsom State Prison Storm Drain Containment Pond and Pump BCP.** The Governor's Budget proposes \$395,000 (General Fund) to construct a storm water containment pond and pump system to capture tainted storm water runoff and pump the water into the facility's wastewater system for processing.

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**Staff Recommendation: Approve all as budgeted**

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**Vote Only Issue 2: Salinas Valley State Prison Sump Pump BCP**

**Governor's Budget.** . The Governor's Budget proposes \$610,000 (General Fund) to fund the installation of sump pumps and drainage piping for 30 underground electrical and communications vaults at Salinas Valley State Prison (SVSP).

The Administration contends that the pumps will prevent work hazards and system failures caused by water intrusion into the electrical and communication vaults. The plant operations staff at SVSP currently use portable pumps to extract water from the vaults, which is labor intensive and risky for the staff.

**Staff Comment.** While staff agrees that there is a need to address the aforementioned water intrusion, staff is concerned that the Administration has not explored and presented the Subcommittee with all possible alternative solutions. For instance, the Administration has not presented the Subcommittee with the option of addressing the root cause/causes of the flooding (including ground grading and drainage modifications, remedying possible design and/or construction flaws or oversights, etc.). Further, it is unclear whether the Administration has sought partial or full indemnification through the design and/or construction contractors or their insurers.

Considering that the proposed approach guarantees ongoing future costs associated with maintenance and replacing the sump pumps, it may be more cost effective, in the long-term, to address the issue (water intrusion) and not the symptom (flooding) even if the contractors are not liable for repairs.

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**Staff Recommendation: Reject proposal**

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**Vote Only Issue 3: Ventura Youth Correctional Facility - Non-Contact Visiting BCP**

**Governor's Budget.** The Governor's Budget proposes \$590,000 to fund the installation of four non-contact visiting booths in the old visiting hall at the Ventura Youth Correctional Facility. These booths would be used for youth requiring enhanced security precautions when they have visitors.

The administration notes that there have been a variety of incidents during visiting hours with this set of offenders, including fights and attempts to introduce contraband into the VYCF. According to the administration, noncontact booths would limit the occurrence of these incidents. The proposed project would begin August 2014 and construction would conclude in September 2015.

**Staff Comment.** The Administration has informed staff that the new Superintendent of the VYCF is not confident that the construction of new non-contact visiting booths is necessary. Considering this new information, staff recommends the Subcommittee reject the proposal with the understanding that an alternate solution will likely be proposed.

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**Staff Recommendation: Reject Proposal**

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**Vote Only Issue 4: Healthcare Facility Improvement Program (HCFIP) Inmate Ward/Labor Services BCP**

**Governor's Budget.** The Governor's Budget proposes \$1,123,237 (reimbursement authority) to pay for 10 Construction Supervisor and one Associate Governmental Program Analyst/Staff Services Analyst to expand the Inmate/Ward Labor Program in order to assist in HCFIP projects. The Inmate Ward/Labor program was developed in 1983 and allows inmates to gain experience in the construction trades. HCFIP is a plan adopted in 2012 that is designed to upgrade the existing health care facilities infrastructure within CDCR. Over the next four years, HCFIP is scheduled to produce approximately \$220 million in additional construction work for the Inmate Ward/Labor program.

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**Staff Recommendation: Approve on two-year limited term basis**

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## ITEMS TO BE HEARD

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### 5225 CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

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#### ISSUE 1: MAJOR CAPITAL OUTLAY BCPs

The issue before the subcommittee is the California Department of Corrections and Rehabilitation's (CDCR) three Major Capital Outlay proposals

#### PANELISTS

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

#### BACKGROUND

The Governor's Budget Proposal includes three Major capital outlay projects, five minor capital outlay projects, and additional funding to support statewide advanced planning and preparation of budget packages for capital outlay projects.

The following three projects fall into the category of major capital outlay:

1. California Correctional Center Arnold and Antelope Camp Kitchen/Dining Facility Replacement – The Governor's Budget proposes \$1 million (General Fund) to support the planning phase of two Kitchen/Dining facility replacements at the California Correctional Center in Susanville. The Administration has identified numerous health and safety risks to inmates and staff as justification for this facility upgrade. This entire project is expected to cost roughly \$16.4 million (\$1 million for planning, \$1.1 million for working drawings and \$14.3 million for construction).
2. Ironwood State Prison Heating: Ventilation, and Air Conditioning System – The Governor's Budget proposes \$145 million (lease revenue bonds) for an ongoing project to replace the heating, ventilation, and air conditioning systems at Ironwood State Prison in Blythe. This entire project is expected to cost roughly \$156.2 million (\$5.8 million for planning, \$5.4 million for working drawings and \$145 million for construction).
3. Northern California Reentry Facility: Renovation and Addition - The Governor's Budget proposes \$8.3 million (Recidivism Reduction Fund) for the design phase of a new project to add new construction and renovate existing buildings at the new Northern California Reentry Facility (previously known as the Northern California Women's Facility) in Stockton. This entire project is expected to cost roughly \$130.3 million (\$3.3 million for planning, \$5 million for working drawings and \$122 million for construction).

**STAFF COMMENTS**

Staff has no comments on proposals one (California Correctional Center Arnold and Antelope Camp Kitchen/Dining Facility Replacement) and two (Ironwood State Prison Heating: Ventilation, and Air Conditioning System).

The CDCR's **Northern California Reentry Facility proposal** would result in approximately 600 new beds intended to house male inmates who have four years, or less, remaining on their sentences. As proposed, this facility is scheduled to be completed in May of 2017; therefore, it will not likely have an impact on the state's ability to meet the Federal Court's order to reduce the state's prison population to 137.5 percent of system-wide design capacity by February of 2016. However, it may help the state maintain compliance with the court's order if California's prison populations continue to increase.

California's women's prisons are the most over-crowded institutions in the state (Central California Women's Facility at 183 percent of design capacity and California Institution for Women at 151 percent of design capacity). The population reduction plan proposed by the Administration has very little in it that would reduce overcrowding at women's institutions. Thus, the Subcommittee may wish to explore the option of repurposing the former Northern California Women's Facility in Stockton, which will be the site of NCRF, as a women's institution with gender specific programming based on evidence.

Further, based on discussions from the Senate Budget and Fiscal Review Committee's (Subcommittee 5) March 20, 2014 hearing, it may be advantageous to the state if the Administration developed a public/private partnership to repurpose the facility to house female inmates and provide gender specific programming.

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**Staff Recommendation:**

1. **Approve proposal one as budgeted** (California Correctional Center Arnold and Antelope Camp Kitchen/Dining Facility Replacement).
  2. **Approve proposal two as budgeted** (Ironwood State Prison Heating: Ventilation and Air Conditioning System).
  3. **Reject Proposal three** (Northern California Reentry Facility: Renovation and Addition).
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**ISSUE 2: CORRECTIONAL OFFICER ACADEMY BCP**

The issue before the subcommittee is the California Department of Corrections and Rehabilitation's (CDCR) Correctional Officer Academy BCP.

**PANELISTS**

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

**BACKGROUND (PROVIDED BY THE LAO)**

The Governor's 2014-15 budget proposes a \$61.7 million General Fund augmentation and 147 new positions to expand CDCR's recruitment and training of correctional officer candidates. This would more than double the department's budget of \$49.1 million for such purposes in the current-year. According to the administration, these resources are needed to increase hiring to fill correctional officer positions that are currently or expected to be vacant. The proposal includes increased staff to recruit and evaluate correctional officer applicants and additional resources for the academy to train cadets. Together with the recent reduction to the length of the academy training period, these changes would allow CDCR to increase the number of academy graduates from 720 in 2013-14 to 3,400 in 2014-15.

Vacancies occur when CDCR does not have enough employees to fill all of the positions that it is funded for in the annual state budget. Historically, the department has had a vacancy rate of about 5 percent. However, as of December 2013, CDCR had about 2,200 vacancies in its correctional officer positions—a vacancy rate of about 10 percent. According to the department, the recent increase in its vacancy rate is due to several factors, including (1) the suspension of recruiting correctional officers from March 2011 through March 2013, (2) the activation of new prisons in Stockton and California City, and (3) an increased correctional officer attrition rate. Vacancies drive the need to cover posts through the use of overtime. According to the department, the high vacancy rate and the resulting overtime utilization is contributing to increased sick leave and workers' compensation claims due to fatigue and stress.

In order to permanently address vacancies, CDCR must hire new officers. However, the process to recruit, qualify, train, and place individuals into correctional officer positions is extensive. For example, applicants must pass numerous written, physical, and psychological examinations and undergo a background check. After this process, cadets are trained for 16 weeks at the academy at the Richard A. McGee Correctional Training Center in Galt. As of April 2014, however, the department plans to shorten the duration of the academy to 12 weeks. After completing the 12-week training, new



correctional officers will receive one week of orientation and three weeks of field training at correctional facilities.

According to CDCR, once an institution identifies a need for correctional officers, it can take 12 to 18 months before individuals are placed into the institution. The shortened academy may slightly reduce the amount of time necessary. While most academy graduates are assigned to permanent full-time duty, historically the department has assigned some graduates to become PICOs in order to achieve its target of having 3.5 percent of total authorized correctional officers assigned as such. However, as we discussed earlier in this report, CDCR plans to suspend assigning academy graduates to PICO positions for two years while it considers whether to adjust its 3.5 percent target.

#### LAO RECOMMENDATION

**Direct CDCR to Regularly Adjust Recruitment and Training Capacity.** The LAO recommends that the Legislature direct the department to incorporate adjustments to its correctional officer recruitment and training capacity into its biannual budget adjustment process. Such adjustments should be based on projections of its need for additional correctional officers at least 18 months into the future to account for the time required to recruit and train new officers. This would allow the department to better prepare for its future need for correctional officers and to avoid mismatches between the number of vacancies and the number of new academy graduates.

**Direct CDCR to Continue to Fill Permanent Intermittent Correctional Officer (PICO) Positions.** CDCR intends to temporarily suspend assigning new correctional officers to PICO positions in order to prioritize filling permanent full-time and relief officer positions. It is understandable that hiring PICOs may not be the highest priority, particularly for prisons with high vacancy rates for permanent correctional officer positions. However, there are benefits to using PICOs that the department is not currently taking full advantage of. Accordingly, we recommend that the Legislature direct the department to continue offering newly trained correctional officers the option of accepting PICO positions.

#### STAFF COMMENTS

The LAO raises a valid point about future workforce planning and the need to reassess and update projections regularly. While noting that the LAO's recommendation on offering newly trained officers PICO positions also has merit, staff concurs with the department's assertion that all newly trained officers should be assigned to permanent posts when deemed necessary and most cost effective. Assigning officers to permanent posts helps to better ensure the department is receiving the best return on the funds invested in officer training.

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**Staff Recommendation: Approve proposal and require the department to incorporate adjustments to its correctional officer recruitment and training capacity into its biannual budget adjustment process.**

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**ISSUE 3: CUSTODY RELIEF BCP**

The issue before the subcommittee is the California Department of Corrections and Rehabilitation's (CDCR) Custody Relief BCP.

**PANELISTS**

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

**BACKGROUND (PROVIDED BY THE LAO)**

The Governor's 2014–15 budget proposes \$207.2 million (General Fund) to support CDCR overtime costs. This represents a \$9 million increase over the \$201.3 million included for overtime costs in the 2013–14 budget. In addition, the budget proposes to change the methodology CDCR uses to calculate the relief factor. Under the proposal, the relief factor would be calculated based solely on statewide actual leave usage rather than a combination of actual leave usage and accrual rates. In addition, the proposed methodology would incorporate types of leave (such as furlough days) that are not accounted for in the current relief factor. These changes result in the need for an additional \$9 million in General Fund support and 84 positions in 2014–15. Under the Governor's proposal, the relief factor would be adjusted annually based on updated data on actual usage of staff leave in the prior year. In addition, CDCR indicates that while the proposed relief factor change is based on statewide data, it is currently in the process of calculating specific relief factors for individual prisons that could be used to make annual adjustments at each prison in the future.

Staffing the 34 adult prisons operated by CDCR represents a unique challenge. This is because many duty assignments (referred to as "posts") must be filled 24 hours per day, 365 days per year. In particular, many assignments filled by correctional officers, sergeants, and lieutenants are posted positions. If a staff member is unavailable to fill a post, the prison generally cannot leave the post unfilled. Staff in these posts typically work one of three eight-hour shifts (referred to as "watches") each day, five days per week and have two regular days off (RDOs). Thus, a single post is typically filled by three different employees over the course of a day. Staff members assigned to the prison's "watch office" are employed to ensure that all the posts are filled and are responsible for finding an employee capable of filling posts that are left empty when another employee is unavailable.

**Steps Taken to Fill Posts Left Empty When Staff Are Unavailable.** There are different reasons why an employee is unavailable to fill an assigned post, with employee leave use being the most common. Each correctional employee used, on average, 365 hours of leave in 2011–12. The most common type of leave used by correctional employees is sick leave. Other types of leave include vacation leave, annual leave (a type of leave employees may choose to earn in lieu of vacation and sick leave), and leave taken by staff to complete professional training and development or to fulfill military duty. In addition, posts can be empty if a position is vacant, such as when CDCR fails to hire enough staff. When a post becomes empty due to vacancies or staff absences, the watch office at the prison takes a series of sequential steps to identify certain employees to fill the absent post as follows:

**Relief Officers.** When posts become empty because staff is unavailable, the watch office attempts to first fill the empty posts with relief officers. Relief officers are full-time correctional employees who are assigned to a specific prison. These officers arrive at the prison for a predetermined shift, but may not know which post they will be assigned to on a given day until they arrive at the prison. If there are not enough empty posts on a given watch, relief officers can be assigned other duties, such as searching the prison for contraband. Relief officers receive the same pay and benefits as other correctional officers assigned to regular posts.

**Officers Redirected From Other Posts.** If relief officers are not available to fill empty posts, the watch office may then determine whether any correctional employees can be redirected from other posts that do not need continual staffing during the watch in question. Examples of posts that do not require continual staffing include posts in prison investigation units.

**Permanent Intermittent Correctional Officers (PICO).** If the empty posts are correctional officer assignments (and not for correctional sergeants or lieutenants), the watch office will then attempt to use PICOs to fill the empty posts. Like relief officers, PICOs generally are assigned to a specific prison. However, unlike relief officers, PICOs only work if they are called in by the watch office to fill an empty post—similar to how a substitute teacher fills in for a sick school teacher. The pay and benefits of PICOs are contingent on the number of hours they work.

**Overtime.** If the posts are still empty after the above steps are taken, a watch office will then offer correctional employees the opportunity to earn overtime on a voluntary basis, with more senior officers being offered the opportunity first. If no employees volunteer to work overtime, a watch office will then use involuntary overtime to fill empty posts. Under these circumstances, overtime is assigned in reverse seniority order, with the most junior correctional employee on the previous watch being required to stay and fill the empty post on the next watch.

In addition to the need to fill posts, workload that falls outside each watch can also drive the need for correctional employee staffing and overtime. The most significant workload that results in the need for staffing and overtime is the workload associated with medical guarding and transportation. Such workload occurs when inmates require certain types of medical care that cannot be provided on-site and correctional staff must transport them to their appointments and guard them while they are there. This often results in overtime because the total time to transport and guard inmates can extend beyond the end of an officer's shift. Other workload also contributes to the need for correctional staffing and overtime. Examples include the need to conduct investigations, transport inmates to and from their court dates, and various emergencies such as prison riots.<sup>1</sup>

**LAO RECOMMENDATION**

(1) Require the CDCR to revise its budgeting methodology for relief officers and PICOs and (2) adjust the CDCR's overtime budget to more closely reflect its need for overtime spending. The LAO estimates these changes would free up a total of \$129 million relative to the Governor's proposed budget for 2014–15.

**STAFF COMMENTS**

If the Subcommittee wishes to adopt this proposal, the Subcommittee may wish to adopt it on a one-time basis (as proposed) to allow for further analysis of the state's actual Correctional Officer staffing needs.

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**Staff Recommendation: Hold Issue Open and Direct the LAO, CDCR, and DOF to determine exactly how much of the CDCR overtime budget is being used for overtime and how much is being shifted to fund worker's compensation and lump-sum salary payouts. Require that the information be provided to the budget committee by April 25, 2014.**

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**ISSUE 4: WORKERS' COMPENSATION BCP**

The issue before the subcommittee is the California Department of Corrections and Rehabilitation's (CDCR) Workers' Compensation BCP.

**PANELISTS**

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

**BACKGROUND (PROVIDED BY THE LAO)**

The Governor's Budget includes \$75 million (General Fund) to address the CDCR's rising workers' compensation costs. From 2009-10 to 2012-13, CDCR's workers' compensation costs grew by nearly \$90 million due to increases in open claims, cost of living adjustments, retirement and medical benefits, and State Compensation Insurance Fund fees. CDCR has committed to enhancing cost containment strategies; however, it is still anticipated that the Department will have at least a \$75 million shortfall in 2014-15.

**STAFF COMMENTS**

If the Subcommittee wishes to adopt this proposal, the Subcommittee may wish to adopt it on a one-time basis to allow for further analysis of cost drivers and potential cost containment strategies.

However, if the Subcommittee elects to hold the Custody Relief BCP open for further review, staff recommends the subcommittee also withhold action on this proposal pending further information from the LAO and the Administration.

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**Staff Recommendation: Hold Issue Open for reasons stated in the Custody Relief BCP recommendation.**

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