AGENDA
SUBCOMMITTEE NO. 4
ON STATE ADMINISTRATION

ASSEMBLYMEMBER JUAN ARAMBULA, CHAIR

WEDNESDAY, APRIL 25, 2007
STATE CAPITOL, ROOM 437
1:30 P.M.

PROPOSED CONSENT CALENDAR

ITEMS TO BE HEARD

8855 BUREAU OF STATE AUDITS

The California State Auditor promotes the efficient and effective management of public funds and programs by providing independent, objective, accurate, and timely evaluations of state and local governmental activities to citizens and government. By performing financial, performance, and investigative audits, and by performing other special studies, the State Auditor provides the Legislature, the Governor, the Milton Marks Commission on California State Government Organization and Economy ("Little Hoover Commission"), and the citizens of the state with objective information about the state's financial condition and the performance of the state's many agencies and programs.

The Governor's Budget proposes $15.9 million (General Fund) and 147 positions, an increase of $836,000 above the revised current year estimate.

8950 DEPARTMENT OF VETERANS AFFAIRS

The California Department of Veterans Affairs (CDVA) provides services to California Veterans and their dependents, and to eligible members of the California National Guard. The principle activities of the CDVA include:

1. Providing home and farm loans through the Cal-Vet Farm and Home Purchase to qualifying veterans using proceeds from the sale of general obligation and revenue bonds;

2. Assisting eligible veterans and their dependents to obtain federal and state benefits by providing claims representation, subventions to county veterans service officers, and direct educational assistance to qualifying dependents and;

3. Operating veterans' homes in Yountville, Barstow, and Chula Vista with several levels of medical rehabilitation services, as well as residential services. For the Barstow and Chula Vista Homes, the budget assumes full occupancy in all levels of care.

The Governor's Budget includes $349.3 million ($112.3 million General Fund) for Veterans Affairs, an eight percent increase from last year.

ISSUE 1: GLAVC VETERANS HOMES START-UP COSTS FOR CONSTRUCTION AND STAFFING

The administration requests a General Fund augmentation of $995,000 (which increases to $2.1 million in 2008-09) and eight positions (which increase to 20 positions in 2008-09) for the construction and pre-activation phases of the Greater Los Angeles/Ventura Counties (GLAVC) Veterans Homes. Construction of the new Veterans Home and satellite facilities will begin in July 2007, with Ventura and Lancaster scheduled to be completed in December of 2008. The Veterans Homes in West Los Angeles are scheduled to be completed in December 2009.

The Veterans Home Bond Act of 2000, in conjunction with the USDVA State Veterans Home Grant Program, established funding to support the development and construction of new veterans homes in Lancaster, Ventura, West Los Angeles, Fresno, and Redding. GLAVC is the first project to go forth, adding 616 new beds of the state's veteran home capacity, by constructing three new Veteran Home campuses: two facilities in Lancaster and Ventura, and a much larger facility in West Los Angeles on the grounds of the USDVA Greater Los Angeles Medical Center.

The requested positions would be group into two teams: Headquarters support and the GLAVC West Los Angeles Veterans Home staff team. While the headquarters support team would remain in Sacramento, the West Los Angeles team would work in temporary offices near the West Los Angeles Home and travel to the Lancaster and Ventura satellite facilities on a weekly basis. The positions would supervise and coordinate elements of program design, capital outlay, licensing application, development of program structure, program implementation and program support, as well as various procurement functions.

COMMENTS

On March 9, 2007, the Department of Finance notified the Legislature of the most recent total cost estimate for the GLAVC project: $263.8 million. However, the construction bids receive in February 2007 are approximately $35 million higher than estimated increasing the project cost to approximately $299 million. Since the five homes all share the same lease revenue bond authority, the increase for GLAVC reduces the funds available for Redding and Fresno, resulting in insufficient lease revenue bond authority to build both projects.

In addition, given the size of the federal grant for GLAVC, approximately $180 million, and that only $85 million federal funds are appropriated annually on a nationwide basis for the program, there is an expectation that the federal funds will not be available for the Redding and Fresno projects when those projects are ready to award construction contracts. Under current law, this would require the projects to be stopped until the federal funds become available, which could delay those projects by two or more years.

LAO

Based on the bidding and construction schedules discussed above, the department would be hiring many staff 18 and 30 months in advance of the homes being completed. It makes sense to hire some staff prior to the opening of the homes in order to accomplish many of these tasks. In most cases, however, the tasks described in the proposal should reasonably be handled within a single calendar year before the homes open. Additionally, the department’s request for associated equipment and operating expenses is overly generous.

The LAO recommends reduction of this request by $374,000. This includes a reduction of $228,000 in personal services relating to the timing of positions and $146,000 in operating expenses and equipment.

ISSUE 2: BARSTOW – SKILLED NURSING FACILITY

The administration request $2.3 million ($ 2.1 million General Fund) and 18.9 positions to re-open the Skilled Nursing Facility at the Veterans Home of California- Barstow. The request also includes out-year cost of $4.5 million and 53.7 positions. The request is the second component of a six year plan to increase the department utilized of the facilities existing capacity, by re-opening 40 Skilled Nursing Facility beds over a two-year period, under a Department of Health Services 9-12 month observation period. The projects out-year cost is $4.5 million.

In March 2003, the department voluntarily suspended the Skill Nursing Facility (SNF) license due to inconsistent practices in meeting the state licensing and federal certification requirements. Currently, the department contracts with community providers for short-term SNF beds. Qualified veterans needing long term care are given the choice to transfer to Chula Vista or pay privately.

The USDVA State Veterans Home construction grant supported the formation of the Barstow Veterans home by providing 65% of the development and construction cost. The USDVA grant requires the department to maintain specified level of care capacities (over 75 percent of capacity). In the event the specified capacity level is not maintained, the department will be required to pay back the construction grants of $18.75 million. Barstow is currently utilizing less than 40 percent of its capacity.

COMMENTS

Considering the condition of the state General Fund, it is appropriate for the department to take pro-active steps to ensure the compliance with federal construction grant regulations. However, the subcommittee may wish to hear testimony about the department communication with the USDVA concerning the department six-year proposal to ramp-up Barstow's capacity.

Additionally, the subcommittee may wish to hear testimony concerning the planned or implemented administrative safeguards to ensure consistent quality care for California veterans.

ISSUE 3: VETERANS HOME INFORMATION SYSTEMS

The administration requests an General Fund augmentation of $10.3 million ($7.8 million in 2008-09) to procure and implement a comprehensive computerized Veterans Home information System.

Currently, the department utilizes Meditech, which is a commercial off-the-shelf health care information system, in the three existing veterans' homes. However, the contract for support and maintenance of the software expired in June of 2005. Attempts to renegotiate the support and maintenance contract failed, resulting in the Department of Finance directing the department to pursue a viable replacement. In addition, the construction for GLAVC is scheduled to be complete by December 2009.

The request seeks to provide an information system for both the existing homes and GLAVC, by implementing an information system that hosted and maintained by the department. The total project cost is estimated to be $34 million for statewide implementation over a six year period.

COMMENTS

It should be noted that 2006-07 Budget Act included $421,000 for the development of the Feasibility Study Report for this project.

ISSUE 4: INFORMATION TECHNOLOGY INFRASTRUCTURE UPGRADE

The administration requests $6.5 million General Fund to replace the existing department information technology infrastructure over a two year-period. According to the department, the existing information technology infrastructure is obsolete and unable to meet the information and computing needs of the department. The proposed upgrade would focus upon the improving the hardware and networking needs of the department.

COMMENTS

The FSR indicates that certain elements of the request (for example, the voice telecommunications infrastructure at Chula Vista and Headquarters) will reach end of life over the next four years and are not necessarily in need of immediate replacement. While the CDVA proposes to purchase most of the requested IT components in BY, given current General Fund constraints, the subcommittee may wish to consider shifting the purchase of the PBX Telecommunications at Chula Vista and Headquarters into BY+1, requiring the CDVA to make-do with existing technology for an additional year, and saving approximately $820,000 in BY.

ISSUE 5: POSITION FUNDING ALIGNMENT – CONSENT

The 2006 Budget Act provided limit-term funding and position authority for 25 positions ($2.8 ongoing General Fund cost) that were previously supported by the Farm and Home Program, which was a non-General Fund program. The 25 positions were realigned within the main item to support the functions of the department. Provision 1 of 8955-001-0001 required the department to provide a full workload justification for the positions.

With the 2007-08 budget, the administration submitted the workload justification, based on a time study for each position and request the positions be made permanent.

ISSUE 6: VETERANS CLAIMS REPRESENTATION – CONSENT

The administration requests the conversion of two limited term positions into permanent positions for an $180,000 ongoing General Fund cost. The positions provide veteran claim services in Los Angeles and San Diego Counties. These positions were established as limited term in the 2005-06 budget cycle and will expire on June 30, 2007.

ISSUE 7: CHULA VISTA - REVERSE BUDGET AUTHORITY – CONSENT

In 2003, the department submitted a request to convert Chula Vista's 55 bed Residential Care Facility for the Elderly to a 55 bed Intermediate Care Facility. The 2005-06 budget provided support, in addition to a reduction in General Fund support. In late 2006, the department determined that the project was not physically or financially feasible due to fire and building code regulations. The department seeks to maintain its Residential Care Facility, and request a General Fund augmentation of $945,000, as well as reimbursement reductions.

ISSUE 8: PERSONAL SERVICES CONTRACT ADJUSTMENTS – CONSENT

The administration requests $71,000 (General Fund) to fund an increase in the personal services contracts for the Barstow and Chula Vista homes. Current law requires that contractors pay their staff no less 85% of the state employer cost of providing comparable wages and benefits for a state employee performing a similar duty. The July 1, 2006 general salary increase granted for nine bargaining units has triggered this provision, which has resulted in additional contract costs.

ISSUE 9: FEDERAL MEDICARE REIMBURSEMENT – CONSENT

The administration requests $2.9 million General Fund in savings resulting from projected federal Medicare revenue reimbursements for veterans' home activities. The additional funding is based upon a five-year historical pattern of expenditures at all three veterans' homes.

ISSUE 10: SPRING FINANCE LETTER - BASELINE ADJUSTMENT FOR OPERATING EXPENSE AND EQUIPMENT – CONSENT ITEM

The department's proposal requests $1.5 million from the General Fund for a baseline adjustment to its expense and equipment line items. This amount is intended to cover projected increased costs for pharmaceuticals, contracted medical services, medical supplies, and energy purchases. The department provided information regarding costs over the last five years for these items at each of the veterans' homes, as well as the baseline amount included in the 2006-07 budget. The department's budget-year request applies a five-year average growth rate to the amounts received in 2006-07.

COMMENTS

The Department of Finance submitted a Spring Finance Letter requesting the proposal be reduced by $702,000. Finance stated that the original projections were based on historical data and a more accurate methodology for estimating these cost has been developed.

ISSUE 11: SPRING FINANCE LETTER - EQUIPMENT REPLACEMENT – CONSENT ITEM

The administration requests $3.2 million General Fund for equipment replacement and ongoing maintenance. The department estimates at least $6.5 million unmet or outdated replacement needs in the current year. The department provided a 28 page long list of equipment that is slated for replacement. The items range from a 35-year-old tablesaw, to 19-year-old refrigeration units, to a three-year-old ultraclave sterilizer.

COMMENTS

The Department of Finance submitted a Spring Finance Letter requesting the proposal be reduced by $1.21 million. Finance stated that the original request erroneously included information technology equipment in the data used to determine the annual need.

ISSUE 12: BARSTOW EMERGENCY GENERATOR - CONSENT

The CDVA, Veterans Home of California in Barstow requests $445,000 General Fund to purchase an emergency generator system in order to be able to provide air conditioning to nursing patients during a power outage.

ISSUE 13: YOUNTVILLE KENNEDY HALL PARKING LOT - CONSENT

The CDVA, Veterans Home of California in Yountville (VHC-Y), requests $226,000 General Fund to increase the amount of Americans with Disabilities Act-compliant, adequately lighted, and properly drained parking for the elderly female veterans who reside in Kennedy Hall (Section H) at the VHC-Y.

ISSUE 14: MEMBER SERVICES BUILDING RENOVATION - CONSENT

The CDVA requests $13,381,000 in Federal Trust Fund authority to utilize a Federal grant for the construction phase of an ongoing building renovation project. The state share of the project was authorized in the Budget Act of 2006.

ISSUE 15: BARSTOW KITCHEN COOLING SYSTEM - CONSENT

The CDVA, Veterans Home of California in Barstow requests $153,000 General Fund to upgrade an ineffective evaporative cooling (swamp cooler) system with an air conditioning system in the kitchen.

5225 DEPARTMENT OF CORRECTION AND REHABILITATION

ISSUE 1: OVERVIEW OF THE PROPOSED POPULATION SHIFT FOR THE DIVISION OF JUVENILE JUSTICE – INFORMATION ITEM

The Governor has put forth a budget proposal that would reduce the DJJ population by about half by realigning certain juvenile offenders to local juvenile facilities. Specifically, beginning July 1, 2007, the state would stop accepting and would return certain non-violent juvenile offenders now held in DJJ institutions to the local level. Also, the state would provide a new block grant program to offset county costs resulting from this change.

Under this proposal, wards could only be committed to DJJ if they committed an offense described in Welfare and Institutions Code (WIC) 707(b). Furthermore, the proposal would bar the commitment of female wards to DJJ. State law would be modified to: (1) stop the intake of all wards that did not commit WIC 707(b) offense as of July 1, 2007; and (2) recall, to the county, offenders currently held in DJJ facilities that were not committed for WIC 707(b) offenses. State law would also be amended to stop intake of all female wards and transfer female offenders currently housed at Ventura Youth Correctional Facility to the counties. The Governor's budget proposal assumes that this realignment will result in about 1,400 fewer wards in DJJ facilities by the end of the budget year.

The Governor's proposal also includes a block grant to counties to offset the costs of keeping custody and taking custody of juvenile offenders previously held by DJJ. The Governor's budget proposes $53.3 million for a block grant that is equivalent to $94,000 per offender per year. The department has indicated that this grant would be allocated to counties based on a 10 year history of the offenders each county has committed. The administration indicates that the $94,000 grant level represents an estimate of what the per capita expenditures were before the state started to implement reforms to comply with the *Farrell* lawsuit in 2005-06. This amount is not based on actual county costs to incarcerate juvenile wards.

The Governor's proposal also eliminates the $10 million Juvenile Justice Community Reentry Challenge Grant Program that was created in the 2006-07 Budget Act. This proposal would have assisted juvenile offenders in their reentry from institutions into the community.

The Governor's budget proposal assumes $96.2 million General Fund in the budget year by shifting juvenile offenders from DJJ facilities to the local level and by eliminating the Juvenile Justice Community Reentry Challenge Grant Program. This savings is offset by $53.3 million General Fund for a new block grant to offset local costs of keeping custody and taking custody of juvenile offenders previously held by DJJ. This would result in a net General Fund savings of $42.9 million in the budget year.

The Governor's budget estimates $15.8 million in revenues from county sliding scale payments for incarceration of Level V through Level VII offenders in DJJ facilities. This is about $900,000 less than the revenues the administration expects to receive in the current year. It is unclear how these revenues would be impacted by this proposal. However, it is likely that the number of "sliding scale" offenders, categories V through VII committed to DJJ, would decline since they tend to be the less serious commitments. This would result in a reduction in revenues to the state and a net gain to the counties above the proposed block grant amount ($94,000 per ward).

BACKGROUND

For the most part, the Juvenile Justice system in California is managed and funded by local government. Following the arrest of a juvenile, law enforcement has the discretion to release the juvenile to his or her parents or to take the suspect to juvenile hall and refer the case to the county probation department.

Generally, probation officials decide how to process the cases referred to them and about one-half of the cases referred to probation result in the filing of a petition with the juvenile court for a hearing. Judges declare the juvenile a ward of the court almost two-thirds of the time. The vast majority of wards (over 98 percent) are placed under the supervision of the county probation department. These youth are typically placed in a county facility for treatment or supervised at home. Other wards are placed in foster care or a group home.

A small number of wards (under 2 percent annually) are committed to the California Department of Corrections and Rehabilitation's (CDCR) Division of Juvenile Justice (DJJ) (previously known as the California Youth Authority or CYA). The population sent to DJJ is generally the State's most serious and chronic juvenile offenders. In addition, juveniles tried in adult criminal court for particularly serious or violent crimes are placed in a DJJ facility until their 18th birthday, at which time they are transferred to state prison for the remainder of their sentence. The CDCR currently operates eight juvenile correctional facilities and one conservation camp.

State Juvenile Offender Population. Over the past decade, the population in DJJ facilities has declined significantly from just under 9,000 wards to fewer than 2,900 wards as of June 30, 2006. The declining admissions are due largely to the decline in juvenile arrest rates and the implementation by counties of more alternatives to incarceration.

The state juvenile parole population has also declined significantly from just over 6,000 juvenile parolees to a little over 3,100 parolees as of June 30, 2006. These declines are consistent with the declining institution population.

County Juvenile Offender Population. Over the past decade, the population of juvenile offenders in county facilities has also declined but at a lower rate than the state population. The current population of juvenile offenders incarcerated at the county level is about 11,000 youth -- down 4 percent from levels in the late 1990s. As stated above, this decline is primarily due to the decrease in juvenile arrest rates and the implementation by counties of more alternatives to incarceration.

State-Local Funding Relationship. Counties started implementing more alternatives to incarceration for juvenile offenders after the passage of legislation in 1996 (SB 681, Hurtt) that made major changes to the cost sharing arrangement between counties and the state for housing juvenile offenders in state DJJ facilities. First, it increased the flat fee that counties pay from $25 per month for the most serious and violent offenders; and second, it also established a “sliding scale” fee structure which adjusts the amount that counties pay monthly based upon the offense on which the commitment is based.

The Youthful Offender Parole Board, within CDCR, assigns a category to a juvenile offender based upon the seriousness of their commitment offense. The categories range from I to VII with VII being the least serious commitment. Current statute requires counties to pay a flat fee of $176 per month for the more serious juvenile offenders considered Level I through Level IV offenders. Statute requires counties to pay the following sliding scale fees for the least serious commitments (categories V through VII):
Level V – 50 percent of the per capita institutional cost
Level VI – 75 percent of the per capita institutional cost
Level VII – 100 percent of the per capita institutional cost

The 2007-08 per capita institutional cost is calculated at $39,579 ($36,504 in statute and adjusted annually for inflation). This is significantly less than the per capita costs estimated in the 2007-08 budget proposal ($216,081). Therefore, counties pay only a fraction of the per capita institutional costs of incarcerating a juvenile offender in a state DJJ facility. Furthermore, counties do not have to pay for parolees that have had their parole revoked.

The sliding scale was further impacted by the passage of Proposition 21 in 2000 that exempted counties from paying a sliding scale fee for commitments of persons actively participating in any criminal street gang and/or for persons convicted of a felony committed in association with any criminal street gang (as put forth in Penal Code 186.22 (a) and (b)).

LAO

Overall, the LAO finds that it would be good criminal justice policy to adopt a proposal to realign certain juvenile offenders to county facilities. However, the LAO has also identified several issues with the Governor’s proposal. The issues are as follows:

- State savings of adopting the proposal are understated.
- DJJ staff positions are not reduced.

- A facility closure plan has not been submitted.
- Other budget requests for new equipment and special repair projects are not consistent with this proposal.
- The *Farrell* remedial plans have not been adjusted for this proposal.
- No data is available on actual county costs of operation of juvenile institutions and programs.
- No statutory framework has been proposed for the new block grant proposal.
- The proposal does not consider relative efficiencies of shifting parole responsibilities to county probation officers.

PRESENTATIONS

Legislative Analyst's Office
Peg Ritchie, Youth Correction Analyst
Dan Carson, Director of Criminal Justice

Department of Corrections and Rehabilitation
James Tilton, Secretary
Bernard E. Warner, Chief Deputy Secretary, Division of Juvenile Justice

California State Association of Counties
Gary Graves, Chief Deputy County Executive, County of Santa Clara
Elizabeth Howard, Legislative Representative, Administration of Justice

Chief Probation Officers' of California
Kim Barrett, President / Chief Probation Officer, San Luis Obispo
Karen Pank, Executive Director

President of the Sacramento County Probation Association
William Harper

State Coalition of Probation Organizations
James Frayne, Director of Governmental Affairs

California County Superintendents Educational Services Association
Michael Hulsizer, Kern County Superintendent

ISSUE 2: TEACHER PAY PARITY

The administration requests a $4.8 million General Fund augmentation to provide pay and schedule parity for educators within adult institutions. The increase would align adult institution educators with their counterparts in the Division of Juvenile Justice and surrounding public schools.

The aim of the proposal is to address two concerns raised by a recent labor/management study: the department's lower rate of pay and longer school calendar. Total implementation cost for the proposal is $36.5 million. However, the total cost is offset by a redirection of salary savings due to vacancies ($20.4 million), a reduction in holidays ($3.7 million) and existing resources ($7.6 million).

COMMENTS

Previously, the subcommittee has heard testimony concerning the department efforts to improve programmatic services within adult institutions. Specifically, the department has noted its effort to increase recruitment of well qualify candidates in order to reduce its large number of vacancies. According to the budget change proposal, the department currently has a 20% vacancy rate for teaching positions at adult institutions.

It is unclear why the department would desire to redirect salary savings from existing vacancies in order to provide pay increases to filled positions. First, the increase in salary, along with the reduction of the school calendar, should provide the department with a greater recruitment tool. Therefore, if the department was able to increase it number of filled positions, it would no longer possess the resources to support the influx. Second, the department and the Department of Finance opposed a similar legislative staff recommendation concerning pay increases for medical staff. Third, this proposal directly contradicts the Legislature effort to increase the number of inmates participating in programming, by maintaining the current capacity. As of January 31, 2007, only 24.5% of the state's institutional population is participating in some kind of academic program.

ISSUE 3: MINOR CAPITAL OUTLAY

The administration requests $7.5 million for the construction of minor capital outlay improvements at the various adult institutions. The requested funding supports 27 projects, whose total estimated cost of less than $400,000. The total project cost for minor capital outlay projects includes the planning and construction phrase.

COMMENTS

Each year, the Legislature provides the department with resources to complete small construction projects, or minor capital outlay. The purpose of minor capital outlay is to allow the department to present a package of construction projects to address various facility repair needs. In addition, the minor capital outlay also provides the department with the flexibility to reprioritize projects to meets pressing needs.

Recently, the Legislature has discovered that the department has mismanaged the use of its authority by authorizing the construction of a Lethal Injection Room at San Quentin. Initially estimated at $399,000, the department has already spent $725,000 or $325,000 over the limit.

According to the department, the construction of the Lethal Injection Room was in response to a federal court order requiring the department to address its procedures and facilities relating to the administration of the lethal injection procedure. Pushing to meet a May 15, 2007 deadline, the department began the construction of a lethal injection room without authorization from the Department of Finance, without a court review of the project to ensure compliance and without the knowledge of the Secretary of the department. Furthermore, it should be noted that the department was not under a court to furnish a new facility, but to provide a remediation plan by May 15th.

ISSUE 4: SPRING FINANCE LETTER - CIM SOLID CELL FRONTS – CONSENT

The administration submitted a spring finance letter request $6.2 million to replace the existing barred cell fronts/doors with solid cell fronts/doors and locking mechanism at the Administrative Segregation Building. The scope of the work will include modifications to the existing heating/ventilation and electrical system.

The 2005 budget act included $600,000 for preliminary plans. The 2006 Budget Act included $645,000 for working drawings.

ISSUE 5: SPRING FINANCE LETTER - CMF SOLID CELL FRONTS – CONSENT

The administration submitted a spring finance letter request $4.6 million to replace the existing barred cell fronts/doors with solid cell fronts/doors and locking mechanism at the Administrative Segregation Building. The scope of the work will include modifications to the existing heating/ventilation and electrical system.

The 2005 budget act included $372,000 for preliminary plans. The 2006 Budget Act included $387,000 for working drawings.

ISSUE 6: SPRING FINANCE LETTER - DVI SOLID CELL FRONTS – CONSENT

The administration submitted a spring finance letter request $405,000 to replace the existing barred cell fronts/doors with solid cell fronts/doors at the Administrative Segregation units. The scope of the work will include modifications to the existing heating/ventilation and electrical system. The total project cost estimate is $6.5 million.

ISSUE 7: SPRING FINANCE LETTER - CTF SOLID CELL FRONTS – CONSENT

The administration submitted a spring finance letter requesting $405,000 to replace the existing barred cell fronts/doors with solid cell fronts/doors at the Administrative Segregation units. The scope of the work will include modifications to the existing heating/ventilation and electrical system. The total project cost estimate is $6.5 million.

ISSUE 8: SPRING FINANCE LETTER- FSP CONVERT OFFICER BUILDING – CONSENT

The administration submitted a spring finance letter requesting $370,000 for the working drawing phrase of a project to renovate the Officers and Guards Building at Folsom State Prison to usable office space for medical and records office personal. The total project cost estimate is $6.5 million.

ISSUE 9: SMALL MANAGEMENT YARDS – CONSENT

The administration requests $911,000 for the preliminary plan and working drawing phrase of a project to construct 179 small management yards at six adult male institutions. The small management yards allow the department to provide the required ten hours per week out of cell exercise for population that present a high security risk.

ISSUE 10: CENTRAL KITCHEN REPLACEMENT – CONSENT

The administration requests $10.5 million for working drawing and construction phrase to construct a new kitchen and two dining facilities at the California Men's Colony. The total project cost is estimate to be $11.1 million. The 2001 Budget Act included $531,000 for preliminary plans and working drawings.

ISSUE 11: SPRING FINANCE LETTER - SCC EFFLUENT DISPOSAL PIPELINE– CONSENT

The administration submitted a spring finance letter requesting $18.8 million for the construction phrase to increase the processing of the Sierra Conservation Center waste water treatment plant. The nine-year old project includes installation of a 41,000' pipeline to dispose of tertiary-treated water and a new storage reservoir with pump station and spray fields.

ISSUE 12: BUDGET PACKAGE & ADVANCE PLANNING – CONSENT

The administration requests $2 million support the department ability to conduct statewide capital outlay planning and budget formulation.

ISSUE 13: SPRING FINANCE LETTER – DVI NEW ELECTRICAL POWER SUBSTATION – CONSENT

The administration submitted a spring finance letter requesting $3.9 million to construct an electrical substation at the Deuel Vocational Institution to provide sufficient electrical capacity to support the reverse osmosis water treatment plant and the new waste water treatment plant. The total project cost estimate is $4.1 million. The 2006 budget Act included $250,000 for preliminary plans