

**AGENDA
SUBCOMMITTEE No. 4
ON STATE ADMINISTRATION**

ASSEMBLYMEMBER JUAN ARAMBULA, CHAIR

**WEDNESDAY, MARCH 28, 2007
STATE CAPITOL, ROOM 437
1:30 P.M.**

PROPOSED CONSENT CALENDAR

ITEM	DESCRIPTION	PAGE
8120	PEACE OFFICERS STANDARD TRAINING	
ISSUE 2	WORKLOAD ADJUSTMENT	5
ISSUE 3	REPLACEMENTS AND WARRANTY OF LAW ENFORCEMENT DRIVING SIMULATORS	6
ISSUE 4	WEB-BASED TRAINING	7
5225	DEPARTMENT OF CORRECTIONS AND REHABILITATION	30
ISSUE 17	CLASSIFICATION SERVICES UNIT TRAINING	30

ITEMS TO BE HEARD

ITEM	DESCRIPTION	PAGE
8120	PEACE OFFICERS STANDARD TRAINING	3
ISSUE 1	LOCAL AGENCY AUDITS	3
0552	OFFICE OF THE INSPECTOR GENERAL	8
ISSUE 1	SPECIAL REVIEW INTO IN-PRISON SUBSTANCE ABUSE PROGRAMS – INFORMATION ITEM	8
ISSUE 2	EXPANSION OF AUDIT AND INVESTIGATION ACTIVITIES	10
ISSUE 3	EVALUATION OF SUPERINTENDENTS OF JUVENILE INSTITUTIONS	12

5225	DEPARTMENT OF CORRECTIONS AND REHABILITATION	13
ISSUE 1	ADMINISTRATIVE SEGREGATION INTAKE CELLS	13
ISSUE 2	COLEMAN SALARY ENHANCEMENT	14
ISSUE 3	EMPLOYMENT ADVOCACY AND PROSECUTION TEAM PAY INCREASE	15
ISSUE 4	INMATE DENTAL SALARY ENHANCEMENT	16
ISSUE 5	PLATA SALARY ENHANCEMENT	17
ISSUE 6	RECEPTION CENTER ENHANCEMENT OUTPATIENT PROGRAM SERVICES	18
ISSUE 7	OVERVIEW OF ADULT PAROLE OPERATIONS CONCERNING RESIDENTIAL PLACEMENTS OF SEX OFFENDERS	19
ISSUE 8	HIGH RISK SEX OFFENDER TASK FORCE	20
ISSUE 9	SEX OFFENDER MANAGEMENT (JESSICA' S LAW)	21
ISSUE 10	LAO: EMPLOYED PAROLEES -INFORMATIONAL ITEM	22
ISSUE 11	WORKFORCE INVESTMENT ACT REPLACEMENT FUNDS	24
ISSUE 12	FACILITY MAINTENANCE BUDGET	25
ISSUE 13	INMATE/WARD LABOR STAFF AT JUVENILE JUSTICE FACILITIES	26
ISSUE 14	STATEWIDE EQUIPMENT REPLACEMENT	27
ISSUE 15	REDIRECTION OF POSITIONS TO THE OFFICE OF INSPECTOR GENERAL	28
ISSUE 16	WORKERS' COMPENSATION STAFFING	29

8120 COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING

The Commission on Peace Officer Standards and Training is responsible for raising the competence level of law enforcement officers in California by establishing minimum selection and training standards, improving management practices, and providing financial assistance to local agencies relating to the training of law enforcement officers.

The Governor's budget proposes total expenditure level of \$62.7 million (Peace Officers Training Fund) and 117.8 positions, an increase of 10.6 million and 2.8 positions over the revised current year estimates.

ISSUE 1: LOCAL AGENCY AUDITS

The Commission is requesting \$250,000 (Peace Officer's Training Fund) to contract with the State Controller's Office to increase the number of local law enforcement agency audits. The Reimbursement Program at POST is a major vehicle for assisting local law enforcement agencies in training their officers.

The POST administrative Manual set forth the policies and procedures pertaining to filing and processing of reimbursement claims. The commission approved reimbursement rates are maximum amounts that may be reimbursed for six expenses categories: subsistence, Basic Course subsistence, commuter lunch, travel, tuition and back-fill. To ensure fiscal prudence, POST contracts with the State Controller's office to perform reimbursement audits to ensure that reimbursement claims are justified and substantiated.

COMMENTS

Concerns have been raised about the minimal number of audits POST is able to perform. For the past several years, SCO has been able to conduct ten agency audits for approximately \$100,000. California possesses over 600 local law enforcement agencies in its reimbursement program, which means, on paper, it would take SCO more than 60 years to audit every agency once. The request resources would reduce that timeframe to 20 years.

The subcommittee should note that in practice, the requested resources are not sufficient to perform audits on every law enforcement agency within the twenty-year timeframe. In order to maximize resources, POST only audits agencies that fall within a certain range. Specifically, POST takes into account the size of the law enforcement agency and the amount of reimbursement requested. Therefore, unless the commission has evidence of inappropriate activity, large and small law enforcement agencies will not normally receive an audit, because it decreases the cost effectiveness of the audit program.

The commission should provide testimony to the committee for regarding their auditing practices and administrative procedures to ensure. Furthermore, when the subcommittee reviews the State Controller's Office budget item, it wish to ask may wish investigate that agencies ability to provide cost savings by performing POST reimbursement audits in conjunction with other local audits.

ISSUE 2: WORKLOAD ADJUSTMENT – CONSENT ITEM

The commission is requesting three permanent positions to increase workload efficiencies and/or to restore prior year staff reductions. Specifically, Post requests:

1. One Key Data Operator. Key Data Operators maintain and update the POST databases by maintaining thousand of peace officer training records. Training rosters are submitted for 3,840 POST-certified courses plus 6,400 certified skills and knowledge module classes. POST receives close to 400,000 training records per year.

Due to prior year staff reductions, the commission currently has one Key Data Operator. The position processes, on average, 15,000 training records per month. However, the Post monthly workload is 33,333 training records per month, on average.

2. One Program Technician II. The commission's Professional Certificate Program offers twenty-one different certificates to officers of the more than 600 law enforcement agencies throughout California. The purpose of the program is to raise the level of competence of law enforcement personnel and to foster cooperation between the commission, agencies, organizations, jurisdictions, and individuals.

POST currently maintains a continuous backlog of three to seven months in processing certificate applications. The Certificated Unit is staffed by four positions, including three (3) Program Technician IIs. Collectively, the four positions process an average of 12,000 certificates annually, which equates to 3,000 certificates per position. However, their workload is estimated increase by 4,500 certificates with the addition of a new dispatcher certification.

3. One Accounting Technician. The commission provides reimbursement to local law enforcement agencies for various expenses incurred by officers attending POST training. In recent years, POST has experience an increasing backlog averaging four months. Most of the backlog is attributed to staff turnover and a high volume of presenters requesting reimbursements.

The Governor's budget provides \$158,000 (Peace Officer's Training Fund) and 3 positions to support the commission's request.

**ISSUE 3: REPLACEMENT OF LAW ENFORCEMENT DRIVING SIMULATORS –
CONSENT ITEM**

California peace officers are required to receive Perishable Skill Training (including driver training) every two years in order to maintain their job related psychomotor skills. Traffic collision and driving related incidents are among the most dangerous circumstances peace officers face. In fact, traffic collisions are the number one cause of on duty deaths of officers in California according to the most recent five-year study conducted by the commission, in 2005.

POST developed Regional Skill Training Center and the Law Enforcement Driving Simulators (LEDS) to provide an efficient, non-cost prohibitive method of driving skill training and refreshment throughout the state. The Law Enforcement Driving Simulators were developed to assist with the decision-making and operational aspects of driver training.

The Commission is requesting a total of \$3.458 million (\$2.050 million ongoing) to replace eight inoperable LEDS, and 14 extended warranties to ensure the cost effective driver's training for peace officers.

ISSUE 4: WEB-BASED TRAINING

The Commission is requesting one-time funding augmentation of \$650,000 (Peace Officer's Training Fund) to increase their web-based training and to create an online survey to determine future training needs. Specifically, the request would allow POST to accomplish the following:

1. Convert CD-ROM training to Web-Based Training. The CD-ROM courses for domestic violence and the Basic Narcotics Investigation are out dated. Several changes in law have occurred since the creation of the courses in 1999 and 1995, respectively. In recent years, POST has requested the conversion of CD-ROM training to web-Based training whenever the course content needs to be refreshed, in order to decrease distribution cost; allow officers to have 24/7 access to the material; and automatically update the peace officer's individual training profile.
2. Creation of new web-Based courses. POST seeks to develop four new courses due to legislative mandates and stakeholder input: racial profiling, blood-borne pathogens, child abuse and instructor development.
3. Online Survey. POST seeks to improve on their ability to receive direct input from officers regarding their training needs. The creation of an online survey would be a cost-effective tool for more efficient data gathering. The survey would be placed on the POST Learning Portal and the results captured in a database. As mentioned above, this input is utilized to assist the commission in determining the need to develop new training courses for peace officers.

0552 OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General oversees the state's correctional system through audits, special reviews, and investigations of the Department of Corrections and Rehabilitation. Although the duties required of the Inspector General's Office are complex, its mission is clear: to protect public safety by safeguarding the integrity of California's correctional system.

Established within the Office of the Inspector General is the Bureau of Independent Review, which monitors internal affairs investigations, conducted by the Department of Corrections and Rehabilitation to ensure they are performed in a timely and professionally sound manner through the oversight of those investigations and the employee discipline process. With regional offices throughout the state, the bureau provides contemporaneous oversight as internal affairs investigations are conducted.

The Governor's Budget proposes \$18.6 million (General Fund) and 108.5 positions, an increase of \$2.8 million and 14.9 positions.

<p>ISSUE 1: SPECIAL REVIEW INTO IN-PRISON SUBSTANCE ABUSE PROGRAMS – INFORMATIONAL ITEM</p>
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In February 2007, the Office of the Inspector General issued its *Special Review into In-Prison Substance Abuse Programs Managed by the California Department of Corrections and Rehabilitation*.

The Office of Substance Abuse Programs have spent more than \$1 billion to provide substance abuse treatment service to California inmate and parolees since 1989. More than \$278 million of the total has been devoted to in-prison treatment. At present, the Office of Substance Abuse Programs budgets \$143 million for substance abuse treatment services, including in-prison and community-based aftercare for parolees.

According to the Special Review, the substance abuse treatment services provide to California inmates and parolees has been ineffective at reducing the recidivism rates of participants. Inspector General identifies the department's inability to achieve a "therapeutic community" within the in-prison substance abuse treatment and the failure to provide comprehensive aftercare as keys to the programmatic shortcoming.

Moreover, the Inspector General found that poor management; the inability to provide appropriate space; and a failure to hold contractors accountable for the delivering of essential program components, has resulted in a waste of public funds and a missed opportunity to change lives

COMMENTS

The Inspector General should provide the committee with testimony regarding this Special review and other related reports/audits. The comments of the Inspector General may be helpful to the committee as the committee considers the department ability to effectively deliver current and/or expanded level of programmatic services.

The Subcommittee may wish to have the department comment in response to the Inspector General special review.

ISSUE 2: EXPANSION OF AUDITS AND INVESTIGATION ACTIVITIES

The Office of the Inspector General requests 10 positions and \$1.781 million (General Fund) to provide an increase in the number and type of audits, inspections and investigations the office performs.

As previously stated, the Office of the Inspector General (OIG) has responsibility of providing oversight for the Department of Corrections and Rehabilitation (CDCR). With the growth of CDCR (\$9.2 billion and more than 50,000 employees), the OIG is facing an increase in the type of audits, investigations and inspections needed to uncover inappropriate conduct. In addition, OIG has responsibility for oversight of all CDCR facilities, including the 41 youth and adult correctional facilities, 43 camps and 12 private adult prisons.

The workload for the requested positions is spread across various OIG program components: Facility Inspection Program (1.61), Critical Incident Roll-outs (.37), Fraud Investigation (4.12), Investigations and Inquiries (1.94) and Support (2.0) positions. The Facility Inspection program, however, is perhaps the most notable expansion.

Despite its numerous visits to state correctional facilities, the OIG does not perform comprehensive facility inspection program. Under current practice, OIG staff notes obvious facility deterioration or other facilities/space needs in conjunction with various audits and investigation. The requested positions would provide for a semi-annual inspect of each facility: adult, youth, public and private.

Additionally, the positions requested in conjunction with the Critical Incident Roll-outs would enable the OIG to respond to critical incidents at correctional institutions, in order to evaluate officer-involved shootings, riots, deaths of officers/staff and escapes. This function may also assist the Legislature in understanding the department usage of "lock-down" in such instances; along with the department ability to resolve situations or concluded inquiries, in order to resume genuine programmatic efforts.

COMMENTS

It should be noted that this request is directly connected to a "negative" CDCR request. The CDCR request removes 10 positions and \$1.781 million from the department's budget, with the express intent of those positions transferring to the OIG. Therefore, within the Governor's budget, this request is a no-cost budget change proposal. If the subcommittee wishes to stay within the construction of the Governor's budget, it would have to take a corresponding action within the CDCR item (Issue16).

Additionally, the requested positions do reflect the standard salaries savings reduction of 5 percent. The salary savings reduction is a standard recognition that all positions within an agency or department will not be filled 12 months of year. However, peace

officer positions are normally excluded from the salary savings requirement because those positions are either filled or back-filled (overtime) to support necessary public safety functions.

The OIG represent a unique circumstance. Although many of the requested positions are peace officers, they do not technically need to be filled to ensure public safety. In addition, the OIG's duties and responsibilities were revamped and greatly expanded in 1999, and the office is still growing into its role. Staff has raised concerns that it may be appropriate to add the required salary saving to the offices, until it proved imprudent to do so.

ISSUE 3: EVALUATION OF SUPERINTENDENTS OF JUVENILE INSTITUTIONS

The Office of the Inspector General requests \$989,000 and 5 positions to provide a review of the Governor's candidates for superintendent of juvenile correctional facilities.

AB 971 (Chapter 709, Statutes of 2006) adds superintendents of youth facilities to Section 6126.6 of the Penal Code so that those persons are subject to the same pre-appointment review process as wardens of adult facilities. Penal Code 6126.6 requires that prior to filling a vacancy for a warden by appointment or superintendent, the Governor shall first submit to the Inspector General the names of candidates for the position of warden or superintendent for review of their qualifications.

Currently, the OIG utilizes the authority established within the office to provide a comprehensive analysis of a warden that reaches beyond the scope of Penal Code 6126.6. The OIG's existing model for warden candidates and appointed wardens goes beyond the initial vetting process. One year after a warden's appointment, the OIG conducts an audit of each warden, creating a scorecard of the individual's effectiveness. Additionally, the OIG is mandated to audit each institution once every four years, which results in a comprehensive quadrennial audit report. Finally, the OIG conducts follow-up accountability audits of the post-one-year and quadrennial audits to review measures to address various findings.

This request should create a mirror program for superintendents of juvenile correctional facilities.

COMMENTS

It should be noted that the OIG's request is an expansion of AB 491. According to the OIG, the expansion is result of their belief that the administrator of juvenile institution should be have equal, if not more, vetting and oversight as their counterparts at adult institutions. However worthy the OIG's effort, the subcommittee should be made aware that the cost of provide the initial vetting, as required by AB 491 is \$242,000 and 1.24 positions. Therefore, in consideration of whether to expand the scope of AB 491, the subcommittee should note the increased responsibilities of juvenile superintendents as required by the *Farrell v. Harper*.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION

The mission of the California Department of Corrections and Rehabilitation (CDCR) is to improve public safety through evidence-based crime prevention and recidivism reduction strategies.

The CDCR is organized into thirteen programs: Corrections and Rehabilitation Administration; Sentencing Commission; Corrections Standards Authority; Juvenile Operations; Juvenile Education, Vocations, and Offender Programs; Juvenile Parole Operations; Juvenile Health Care Services; Adult Operations; Adult Parole Operations; Board of Parole Hearings; Community Partnerships; Adult Education, Vocations, and Offender Programs; and Correctional Healthcare Services.

The Governor's budget proposes \$9.8 billion (\$9.5 billion from the General Fund) and 65,973.3 positions. This reflects an increase of \$606.8 million and 2,312.3 positions from the revised 2006-07 budget.

ISSUE 1: ADMINISTRATIVE SEGREGATION INTAKE CELLS

The administration requests \$13.2 million and 4 positions to implement the facility modifications necessary to ensure compliance with aspect of the Administrative Segregation Suicide Prevention Plan as submitted to the Coleman Court.

In June of 2006 the Coleman court directed CDCR to develop a plan for dealing with the escalating percentage of suicides occurring in Administrative Segregation Units. On October 2, 2006 the CDCR submitted its plan to comply with the court's directive by retrofitting 406 existing Administrative Segregation Cells statewide to reduce the availability of hanging attachment sites. These retrofitted cells will used to house inmates newly arrived to Administrative Segregation, when they are most susceptible to committing suicide.

The retrofitting of existing cells will include the follow modifications:

- Installation of concrete slab beds;
- Elimination of protrusions in the cell;
- Replacement of cell vents or the installations of cell vent coverings;
- The replacement of cell light fixtures or the installation of light coverings; and
- Replacement or modification of cell doors to increase visibility of cell interior.

ISSUE 2: COLEMAN SALARY ENHANCEMENT

The administration requests \$50.6 million to provide increased salaries for selected mental health classifications system wide. The request is based on a court order in the Coleman v. Schwarzenegger.

In December 2006, the Coleman court ordered salary increases for mental health classification, in an effort to reduce the large number of vacancies present within CDCR. In addition, it should be noted that due to the salary parity stipulation within Ferrell v. Tilton the request salary increase would be passed along to staff working with the Division of Juvenile Justice. Lastly, the department sought to provide the same salary enhancement throughout clinician classification has requested the salary increases for staff within parole.

COMMENTS

Staff has raised concerns about providing salary increases to vacant positions. Although, it would create administrative challenges, the department could only apply the increases to position that are filled or in the process of being filled. To that end, the Subcommittee may wish to have the department provided testimony regarding updated vacancy rates and the projected impact of the salary increases.

ISSUE 3: EMPLOYMENT ADVOCACY AND PROSECUTION TEAM PAY INCREASE

A massive class-action lawsuit, Madrid v. Gomez (now Madrid v Tilton), was filed on behalf of some 3,600 Pelican Bay prisoners in 1993, alleging various rights violations and mistreatments. The federal district court judge Thelton Henderson found in January 1995 that prisoners had been subjected to excessive violence, cruel and unusual punishment, and substandard medical care; he ruled that mentally ill inmates could no longer be confined in the Security Housing Unit and he appointed a special master, John Hagar to oversee the conditions at the prison.

The Employment Advocacy and Prosecution Team (EAPT) within the department's Office of Legal Affairs is a compliance measure for Madrid v. Tilton, ensuring the correction of deficiencies in CDCR's employee disciplinary process through the implementation of a centralized vertical advocacy model. The team consists of 41 attorney staff and 14.5 various other legal support staff.

In March 2006, the final report to the Court regarding CDCR's corrective action plans for administrative investigation and discipline, the Special Master recommends that all EAPT attorneys, including management, receive a \$900 per month recruitment and retention differential. On November 16, 2006, the court ordered the recommended differential.

The administration request \$535,000 (General Fund) to comply with the court order.

ISSUE 4: INMATE DENTAL SALARY ENHANCEMENT

The administration requests \$57.8 million to provide increased salaries for selected dental classification within adult and juvenile institutions.

The CDCR Dental Program has recently taken measures to mitigate its high vacancy rate including, streamlining various exam procedures and participating in various recruitment activities. However, despite their efforts, the department has experienced minimal results.

In October 2006, the Honorable Judge White discussed the negative impacts of the salaries currently offered by CDCR for dental personnel. In addition, the Perez v. Tilton Court Experts met with the Dental Program in November 2006. One of the topics of the discussion was the current compensation level and their relative impact on retention and recruitment efforts.

COMMENTS

It should be noted that the Perez court is scheduled to meet after this month to address the pay scales of dental personnel. This request represents the department proactive attempt to satisfy the requirements of Perez. Although the department has stated that these salary enhancements are aligned with the recommendation of court experts, the subcommittee may wish to wait to ensure compliance.

Additionally, staff has raised concerns about providing salary increases to vacant positions. Although, it would create administrative challenges, the department could only apply the increases to position that are filled or in the process of being filled. To that end, the subcommittee may wish to have the department provide testimony regarding updated vacancy rates and the projected impact of the salary increases.

ISSUE 5: PLATA SALARY ENHANCEMENT

The administration requests \$31.2 million to provide salary enhancement for selected medical classifications within adult and juvenile institutions.

Since 2002, with the approval the "Stipulation of Injunctive Relief", the Plata court has issued several orders to correct deficiencies within the medical care system and ensure delivery of constitutionally adequate medical services to all inmate-patients. An integral part of ensuring inmate-patients timely access to adequate medical services is the establishment and maintenance of a qualified workforce. On October 17, 2006, the Plata court has issued an order that addresses the vacancy rates among the medical classifications by, among other things, increasing recruitment and retention differentials for multiple clinical classifications.

COMMENTS

Staff has raised concerns about providing salary increases to vacant positions. Although, it would create administrative challenges, the department could only apply the increases to position that are filled or in the process of being filled. To that end, the Subcommittee may wish to have the department provide testimony regarding updated vacancy rates and the projected impact of the salary increases.

ISSUE 6: RECEPTION CENTER ENHANCEMENT OUTPATIENT PROGRAM SERVICES

The administration requests \$5.127 million and 67.7 positions to provide mental health evaluations to inmates identified as having serious mental disorders at Reception Centers.

In 2006, CDCR filed a bed plan with the Coleman court outlining a proposal for providing adequate mental health care for impact inmates. As an interim treatment, the court ordered that cases within reception centers receive a level of care commensurate with the Departments Enhanced Outpatient Program. The court deemed to intermediate step clinically necessary for two primary reasons:

- The stress of initial incarceration in reception centers can exacerbate mental illness; and
- Many of these individuals have very short term commitments that necessitates expedited placements into treatment.

ISSUE 7: OVERVIEW OF ADULT PAROLE OPERATION CONCERNING RESIDENTIAL PLACEMENTS OF SEX OFFENDERS.

According to the Attorney General, as of January 1, 2006, there were 106,209 registered sex offenders in California. Of that amount, 66,100 are classified as "In the Community." A number of entities participate in the process of releasing these sex offenders in the community when appropriate.

In 2004, the State Auditor issued a report entitled *Sex Offender Placement: Departments that are Responsible for Placing Sex Offenders Face Challenges and Some Need to Better Monitor Their Cost*. The audit highlighted that the Youth Authority out-of-home placements do not conform to laws and regulations otherwise governing housing facilities. In addition, it cannot track the cost of housing sex offenders in the community because of an inadequate billing system.

Additionally, with the passage of Jessica's Law, the department will face growing challenges in securing housing for this population of parolees. The department should provide testimony about department policies and strategies for placing this population in a lawful manner that ensures the safety of all California residents.

ISSUE 8: HIGH RISK SEX OFFENDER TASK FORCE

The administration requests a General Fund augmentation of \$45.6 million and 6.0 positions to implement the High Risk Sex Offender Task Force Recommendations.

The request would implement a nationally recognized system known as the "Containment Model" and would establish program improvements that maximize public safety. Recognized a national "best practice," the containment model is based on the belief that sex offenders cannot necessarily be cured, but can be treated and monitored in a manner that enhances the safety of the community and protects victims. The model seeks to create a web of surveillance, monitoring and treatment as they are supervised by a team consisting of a parole agent, a victim advocate, a treatment provider and a polygraph examiner.

Specifically, the request resources will increase the current training curriculum for all parole agents, expand the contracted comprehensive sex offender treatment, and incorporate the utilization of polygraphs into the monitoring and treatment of offenders. Additionally, the requested positions will be utilized to add one parole agent to the four SAFE Team regions and increase administrative support and communication.

Furthermore, this request works in conjunction with the Budget Change Proposal for Sex Offender Management (Issue 10).

COMMENTS

Staff has raised a number of concerns surrounding the department's ability to hire the number of requested positions, based on the department's high number of vacancies and the number of graduates from the Academy. It should be noted that the department has based its ability to staff these positions on the passage of the parole reforms, which would reduce the state's parole population.

Additionally, this proposal seeks to augment the efforts of SAFE Teams. However, the subcommittee may wish to revisit its fiscal commitment to SAFE Teams operations. With the implementation of Jessica's Law, the proposed recommendations of the High Risk Sex Offender Task Force and the increased usage of GPS monitoring, SAFE Teams may no longer be a cost effective and efficient method of providing oversight.

ISSUE 9: SEX OFFENDER MANAGEMENT (JESSICA'S LAW)

The administration requests a General Fund augmentation of \$77.3 million and 311.2 positions to implement the requirements of Proposition 83 (Jessica's Law), SB 1128 (Sex Offender Punishment, Control and Containment Act of 2006), SB 1178 (Global Position Monitoring of High Risk Sex Offenders), and AB 1015 (Establishment of the Sex Offender Management Board)

In the budget year, the proposal would provide 16.9 positions to Adult Institutions, 254.8 positions to Adult parole and 23.1 positions to the Board of Parole Hearings. The purpose of the request is to develop and implement a comprehensive approach with the department to identify sex offenders, to provide resources for the hearing process and record functions, and to provide oversight and monitoring of SO and SVP parolees up for release.

The resources for adult institutions will primarily be focused on completing the mandated "prescreening" of inmates who are scheduled for release in early 2007. The Adult Parole resources will primarily be directed as increased the usage of Global Positions Devices.

COMMENTS

Staff has raised a number of concerns surrounding the department's ability to hire the number of requested positions, based on the department's high number of vacancies and the number of graduates from the Academy. It should be noted that the department has based its ability to staff these positions on the passage of the parole reforms, which would reduce the state's parole population.

LAO

We find that the administration's proposals are largely consistent with new state laws, as well as recommendations of the HRSO Task Force and our office. However, we also find that the proposal for implementing new laws in this area does not include a plan for rollout of GPS monitoring and is over budgeted.

ISSUE 10: PAROLEE EMPLOYMENT (LAO ANALYSIS) – INFORMATIONAL ITEM

Correctional experts frequently identify stable housing, sobriety, and employment as key factors in a parolee's success once he or she has been released to the community. In recent years, the Legislature and administration have expanded programs to address the problems of homelessness and substance abuse among offenders. However, less attention has been given to the problem of parolee unemployment. In this analysis, we (1) focus on this problem, (2) identify shortcomings of current programs, and (3) recommend actions the Legislature can take to increase parolee employment.

In California and nationwide, there is ample research evidence that parolees have difficulty finding and maintaining stable employment. Studies of California parolees have found that from 20 percent to 40 percent of parolees are fully or frequently employed. At any given time, this means that approximately 70,000 to 100,000 parolees do not have regular employment. Researchers have identified several reasons why parolees tend to have low employment rates. These include: (1) low education and employment skills before entering prison; (2) erosion of job skills while incarcerated; (3) limited participation in prison job skills and vocational programs; (4) stigma among employers who are reluctant to hire known offenders; (5) laws and licensing requirements that exclude ex-felons from employment in certain professions, such as real estate, nursing, and education; and (6) concentration of parolees within neighborhoods with high rates of unemployment and relatively few available jobs.

Research evidence indicates that stable employment is an important key to successful reentry of offenders released from prison back into the community. Research consistently finds that a parolee who finds and maintains a steady job—and who also has stable housing and avoids substance abuse—is more likely to avoid subsequent offenses and to successfully complete his term on parole. Steady work provides income, activity, and stability which can reduce a parolee's likelihood of committing new offenses. This view is echoed in research surveys of parolees—90 percent of whom reported in one study that employment is critical to their ability to stay out of prison—as well as our own discussions with parole agents and administrators.

The California Department of Corrections and Rehabilitation (CDCR) administers several programs to assist parolees in obtaining employment. Some of these programs—such as education and vocational programs—are in-prison programs designed to increase employment-related skills of inmates prior to release. Other programs involve pre-release planning and transitional programs for offenders prior to and immediately following their release to the community. The remaining programs are for parolees, and include, for example, employment referral programs. In all, we estimate that these employment-related programs provide assistance to an estimated 144,000 participants annually.

The limited amount of capacity in employment-related inmate and parole programs reflects in part the limited funding dedicated to these purposes at a time of continued

state fiscal problems. Given these limitations, it is important that program dollars be used in the most cost-effective way possible.

Based on our analysis, we find that the most cost-effective programs are not the ones now receiving the most funding. For example, among institution programs, our calculations suggest that vocational programs yield significantly more net savings than academic education. It should be noted that these findings do not necessarily imply that the Legislature should eliminate or reduce funding for programs that yield lower net savings, such as academic education, FOTEP, and RMSC. These programs provide services to inmates and parolees with specific needs that the other programs may not be able to provide. For example, academic education programs are important because inmates often cannot participate in vocational training without having achieved minimum levels of academic proficiency.

In future years, the Legislature may wish to further augment the budgets for CDCR employment-related programs in order to further close the gap between unemployed parolees and program capacity. However, before such augmentations are made, it is important that the department be able to demonstrate that it can fully utilize the resources it has to implement programs, as well as have more data demonstrating the effectiveness of its employment-related programs. If able to demonstrate the ability to implement successful programs, the department could then better justify additional program resources.

ISSUE 11: WORKFORCE INVESTMENT ACT (WIA) REPLACEMENT FUNDS

The administration requests \$3.4 million in General Fund to replace Federal Workforce Investment Act Funds.

The federal WIA of 1998 replaced the Job Training Partnership Act, which provided employment and training services to unemployed and disadvantaged workers. The goal of WIA is to strengthen coordination among various employment, education, and training programs. Pursuant to federal law, 85 percent of the state's total WIA funds (an estimated \$413 million in 2007-08) are allocated to local WIBs. The remaining 15 percent of WIA funds (\$62 million in 2007-08) are available for state discretionary purposes such as administration, statewide initiatives, and competitive grants for employment and training programs. The federal law states that all WIA funds "shall be subject to appropriation by the state Legislature."

The administration also proposes to redirect the WIA resources to alternative program; thereby, reducing the funds provided for programs operated by the Department of Corrections and Rehabilitation (CDCR) that serve female offenders and parolees. However, the administration seeks to maintain current program levels by backfilling the WIA reduction with \$8 million General Fund augmentation over four years.

LAO

We recommend that the Legislature reject the administration's proposal to reduce federal WIA funds for parolee employment programs by \$3.4 million and increase General Fund expenditures by the same amount in the budget year. We have concerns with the administration's proposal to use WIA funds to establish new regional collaborative programs for which there is insufficient justification. Based on our cost-benefit comparison, we believe these federal funds would be better utilized for parolee employment programs that reduce recidivism. Therefore, we recommend reducing General Fund expenditures by \$3.4 million and increasing WIA funding in this item by the same amount.

ISSUE 12: FACILITY MAINTENANCE BUDGET

The administration requests \$46 million (General Fund) to establish new baseline budgets for facility maintenance and special repairs.

Over the five last five years, facilities incarcerating adult and juvenile offenders have experienced significant health, hygiene and safety deficiencies, breakdowns of vital security systems, environmental compliance failures and a serious erosion of the value and effectiveness of the physical plant, impeding the ability to accomplish the department's primary functions. This has been a result of a lack of resources devoted to these needs and the attrition of funding over time to other department programs.

Based on institution standards, CDCR is currently under funded by \$141 million for the maintenance, repair replacement of its infrastructure. This request will alleviate an array of problems at various correctional facilities.

COMMENTS

Based on previous administrative decisions, the subcommittee may wish to provide increased protection for maintenance funding, by including provisional language restricting it the usage. Similar actions have been taken in the previous budget deliberations (namely Recidivism Reduction Strategies), when the subcommittee desired to guarantee resources for a specific purpose.

ISSUE 13: INMATE/WARD LABOR STAFF AT JUVENILE JUSTICE FACILITIES

The administration requests reimbursement authority to fund 7.0 positions to manage additional workload associated with the management and supervision of projects undertaken by the CDCR's Inmate/Ward Labor Program at Juvenile Justice Facilities.

This proposal aligns Division of Juvenile Justice (DJJ) Programs with adult operations and results in efficiencies and improvements in the management of DJJ construction projects. The number of DJJ public works projects has grown due to the introduction of a number of juvenile justice related court actions and the identification of much needed funding for facility improvements and repair. The organizational structure of the field offices cannot accommodate this workload and maintain proper accountability or take advantage of the centralized procurement and contract capabilities of the Inmate/Ward Labor Program.

ISSUE 14: STATEWIDE EQUIPMENT REPLACEMENT

The administration requests a General Fund Augmentation of \$23 million to replacement various equipment. Specifically, the request includes:

- Telephone Systems Repair/Upgrades (\$4.4m)
- DJJ Private Branch Exchange (\$1.1m)
- DJJ Cable Plant Replacement (\$2.4m)
- Trunked Radio Systems Infrastructure Replacement (\$10m)
- Radio Replacement Life Cycle Baseline Increase (\$1.8m)
- Bus Replacement and Modifications (\$3.3)

COMMENTS

Staff has raised concerns about the interaction between this proposal and policy discussions currently taking place. For example, the administration has proposed a dramatic reduction in DJJ ward population. If implemented, that policy change could result in the closure of facilities. Therefore, it would be less fiscally prudent to provide Telephone Systems Upgrades.

ISSUE 15: REDIRECTION OF POSITIONS TO INSPECTOR GENERAL

The administration requests to redirect 10 positions and \$1.781 million (General Fund) to support expanded services in the Office of the Inspector General. CDCR identified 10.0 Office Technician positions and funding from various program areas throughout the department to transfer, to ensure minimal program impact.

COMMENTS

The administration has offered little to no detail concerning this request. In fact, the background documents in support of this request simply calls the request a policy decision. Staff did raise concerns about the underlining perception of the proposal, which suggests the department has adequate resources to meet the department's mission. In fact, if the department did possess an abundance of Office Technicians, it's hard to imagine that those positions could not be redirected internally.

ISSUE 16: WORKERS' COMPENSATION STAFFING

The administration requests the conversion of 29.0 limited-term to full-time positions. Funding for these positions will be redirected out of the current Worker's Compensation line item.

In 2005/06, 29 Return to Work Coordinator (RTWC) were established on a Limited Term basis to address and reduce the workload associated with the high volume of Workers' Compensation claims. RTWCs ensure the department's compliance with Workers' Compensation Reform Bill of 2004 by being a first-point of contact, ensuring that an injured employee receives prompt delivery of medical services, and to provide information to State Compensation Insurance Fund for timely claims management.

COMMENTS

It appears that the department has created \$8 million in savings, and the subcommittee may wish to hear testimony regarding the department's redirection of these funds.

ISSUE 17: CLASSIFICATION SERVICES UNIT TRAINING – CONSENT ITEM

The administration requests a one-time General Fund augmentation of \$800,000 to address immediate training needs of Correctional Counselors and to develop a comprehensive training plan for these classification staff to ensure a greater degree of safety and security for inmates, staff and public.

The classification process within CDCR include, but is not limited to, analysis, and review of individual case factors to determine an inmate's placement score, custody level and work/privilege group, all of which are the basis for determining housing and rehabilitative program eligibility.

Although the Penal Code requires structured training for all peace officers, a structured training program does not exist for the peace officer counseling staff. CDCR's Office of Training and Professional Development is slated to begin developing a plan in 2007 for creation of a Correctional Counselor Academy. This request is an interim step to address immediate training deficiencies that have been identified.