

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 4
ON STATE ADMINISTRATION

Assemblymember Rudy Bermudez, Chair

WEDNESDAY, MAY 3, 2006 1:30 PM
STATE CAPITOL, ROOM 437

CONSENT ITEMS

ITEM	DESCRIPTION	PAGE
8380	DEPARTMENT OF PERSONNEL ADMINISTRATION	
ISSUE 4	SALARY SURVEY BUDGET LANGUAGE	9

ITEMS TO BE HEARD

ITEM	DESCRIPTION	PAGE
1880	STATE PERSONNEL BOARD	
ISSUE 1	JOINT WEBSITE WITH THE DEPARTMENT OF PERSONNEL ADMINISTRATION	3
8380	DEPARTMENT OF PERSONNEL ADMINISTRATION	
ISSUE 1	JOINT WEBSITE WITH THE STATE PERSONNEL BOARD	4
ISSUE 2	EMPLOYEE CLASSIFICATION REFORM	2
ISSUE 3	WORKFORCE PLANNING POSITION	8
5225	DEPARTMENT OF CORRECTIONS AND REHABILITATION	
ISSUE 1	SAFETY AND WELFARE REMEDIAL PLAN	11
ISSUE 2	PROTECTIVE VESTS	12
ISSUE 3	GANG MANAGEMENT	13
ISSUE 4	RECIDIVISM REDUCTION STRATEGIES	14
ISSUE 5	AUTHORITY TO CONTRACT FOR MALE AND FEMALE ADULT BEDS	16
ISSUE 6	2000 UNITY GPS MONITORING EXPANSION	17
ISSUE 7	RISK MANAGEMENT	18

ISSUE 8	RACIAL INTEGRATION	19
ISSUE 9	RUTHERFORD LIFER LITIGATION	20
ISSUE 10	RECORDS STAFFING AND AUTOMATION	22
ISSUE 11	PRIVATE COMMUNITY CORRECTIONAL FACILITY SECURITY	23
ISSUE 12	KERN VALLEY STATE PRISON-BASE STAFFING	24
ISSUE 13	BOARD OF PAROLE HEARINGS – ADULT OFFENDER APPEALS UNIT	25
ISSUE 14	PAROLE LEADS – MODERNIZATION REAPPROPRIATION	26
ISSUE 15	CRITICAL SPECIAL REPAIR PROJECTS AND ASSESSMENTS	27
ISSUE 16	ENTERPRISE INFORMATIONAL SERVICES CORRECTIVE ACTION PLAN	28
ISSUE 17	INCREASE FEDERAL FUNDS EXPENDITURE AUTHORITY	29
ISSUE 18	BUSINESS INFORMATION SERVICES – REAPPROPRIATION	30

ITEMS TO BE HEARD

ITEM 1880 STATE PERSONNEL BOARD

The State Personnel Board (SPB) is responsible for the oversight of the state's civil service system. SPB ensures that the civil service system is free from political patronage and the employment decisions are based on merit. The Board provides services to state departments in the areas of recruitment, selection, and classification.

The Board consists of five members that are appointed for a ten-year period.

The Governor's budget proposes total expenditures of \$19 million funded primarily through reimbursements from other departments.

ISSUE 1: JOINT WEBSITE WITH THE DEPARTMENT OF PERSONNEL ADMINISTRATION

See Department of Personnel Administration (Item 8380 Issue 1).

ITEM 8380 DEPARTMENT OF PERSONNEL ADMINISTRATION

The Department of Personnel Administration is the Governor's chief personnel policy advisor. The Department represents the Governor as the "employer" in all matters concerning State employer-employee relations. The Department handles issues related to salaries, benefits, positions classification, and training. Many of these duties are also shared with the State Personnel Board. For rank and file employees, these matters are determined through the collective bargaining process and for excluded employees, through a meet and confer process. The Department also administers the state employee deferred compensation programs.

The Governor's budget proposes total expenditures of \$91 million, with funding primarily from the General Fund (\$34 million) and the Flexelect Benefit Fund (\$27 million).

ISSUE 1: JOINT WEBSITE WITH THE STATE PERSONNEL BOARD

DPA Requests a one time General Fund augmentation of \$200,000 for 2006-2007 and an ongoing augmentation of \$100,000 for 2007/2008 and thereafter. This funding will be split evenly between DPA and the State Personnel Board (SPB). (\$100,000 to each department in 2006-2007, and \$50,000 ongoing costs for each department.) This funding will be used to implement and maintain a Human Resources Internet Portal Service Center.

Currently, California's personnel management system is split between the SPB and DPA. The functions and information provided on the two separate websites are not coordinated, even though each organization has overlapping and related responsibilities. The websites currently duplicate some issues, and poorly coordinate others.

A coordinated site would allow a user who goes to either site (www.spb.ca.gov or www.dpa.ca.gov) to be directed to one main site. That site would have links that lead to pages controlled and maintained by the entity that currently operates those pages.

LAO

LAO points out that the DPA reports 0.5 staff positions and \$50,000 devoted to management of its website. The SPB reports 2.5 positions and over \$260,000 in resources devoted to its website.

SPB and DPA point out, in response, that a large majority of that budgeted money is already allocated to existing IT needs. Combined with the loss of staff over the last few years, they feel it would be difficult to absorb new workload within existing resources.

LAO also point out that "required planning documents" were not submitted on time. State IT projects require a Feasibility Study Report (FSR) to be completed to address any issues that may come up. This was not completed prior to submittal of the BCP.

COMMENTS

The proposal requests ongoing funds to complete tasks that could be completed by existing staff in the departments who will still be responsible for all but the front "portal" page. With 3.0 staff and over \$300,000 in resources available, it may be possible for existing staff to make improvements on their own.

ISSUE 2: EMPLOYEE CLASSIFICATION REFORM

The Governor's budget proposes an additional \$1 million in General Funds for the purpose of beginning to reform the state employee classifications and determine appropriate testing instruments for the revised state classification structure. This process will be a joint effort between the State Personnel Board and the Department of Personnel Administration.

The funds will be used to hire consultants, assess the current systems, provide recommendations for maintenance or change, and develop a comprehensive strategy and business plan for implementation of reform.

BACKGROUND

The State Classification system has changed limitedly since the creation of the California civil service system. The California Performance Review (CPR) SO47 stated that "The State's classification plan contains too many classifications, is inflexible, and is too cumbersome for today's HR needs." The Little Hoover Commission stated "The State examination and selection process should be adaptable to the needs of individual departments and specific positions, while more effectively allowing for merit-based decisions."

LAO

The large number of classifications, many of which apply to a small number of employees, do limit managerial flexibility and can lead to disputes between employees and departments according to the LAO. There are also other factors affecting the efficiency and effectiveness of our state hiring practices such as overlapping authority of DPA and State Personnel Board.

Rather than conduct a piecemeal study of specific components of the system, the LAO recommends the administration provide a comprehensive proposal for reforms to all state classifications, as well as the rest of the state civil service system.

COMMENTS

With over 4,500 separate job classifications, many groups have called for some sort of reforms to the classification system. However, other key factors must be done in coordination with this reclassification process, such as changing the civil service testing system. If we complete a reclassification effort and reduce the number of classifications we have, that will only make things worse under our current system of testing applicants. Our current testing system doesn't allow you to look at specific skill sets an employer may be looking for, so with fewer classifications, it would be come even more difficult for an employer to pick qualified applicants from the pool. Both the State Personnel Board and DPA recognize these concerns.

The State Personnel Board has requested funding to replace the existing State Examination and Certification system. Prior to the completion of those changes, it may be premature to make changes in the classification system without an examination and certification system that can handle those changes.

A proposal for the complete reform of the civil service system, including a description of the proposed new system, time it will take to complete (including phases if necessary), and the cost and resources necessary to complete each phase, may be beneficial to the committee.

NEW INFORMATION

Based on discussions in committee on April 19th, 2006 regarding this issue, the DPA provided the information below, including a break down of the two costs included within the \$1 million request (Their full document has been provided to the committee separately).

- 1) **\$360,000** for a thorough assessment of the existing structure and practices, from a statewide perspective. This assessment will consist of the following:
 - **Classification Assessment:** Contract to conduct an assessment of the State's classification system and recommend changes for improvement and develop a comprehensive strategy and business plan for implementation of specific reforms. The business plan will include priorities for making incremental change with finite resources. Objectives include a significant reduction in the number of civil service classifications, flexibility, easily maintainable and understandable.
 - **Selection Assessment:** Conduct a thorough review of selection practices and strategies that are used in the public and private sectors. Develop recommended selection strategies for use by the State, taking into consideration the range of occupations, size of potential applicant groups, known validities and adverse impact of various types of tests, union involvement and the State's merit-based civil service system.
- 2) **\$640,000.** According to DPA, because a tremendous amount of effort has been expended over the past few years on reforming the information technology classification and selection structures, they are proposing to complete components of that effort and use the resulting structure as a potential model for other classifications in State service.

SEIU is supportive of the DPAs efforts to reform the IT classifications.

ISSUE 3: WORKFORCE PLANNING POSITION

DPA requests an augmentation of \$140,000 ongoing funds for 1.0 exempt positions to act as the "State Workforce Planning Administrator" to coordinate and manage the provision of workforce and succession planning consultation and training service for State departments. This position will help departments prepare for the large number of retiring state employees and how to prepare for their departure.

The California Performance Review and the Little Hoover Commission have both cited the potential upcoming challenges the state will face due to record numbers of retiring state employees.

The position proposed will identify existing resources to provide to departments with guidance and training. Individual departments will be responsible for undertaking the actual efforts needed.

LAO

Recommends rejecting this proposal and suggests that "hiring a single individual to provide consulting and assistance services to departments would be an ineffective response to this issue." They recommend a more comprehensive approach to deal with the issue.

COMMENTS

This position seems to be focused on coordinating existing resources and responding to the media regarding state workforce planning efforts. The actual development of plans and implementation will still fall on the individual department level using existing resources.

ISSUE 4: SALARY SURVEY BUDGET LANGUAGE – CONSENT ITEM

In last year's conference committee, the administration proposed and the Legislature approved \$573,000 of funding to begin completing surveys comparing the total compensation of state workers with those of other public sector and private sector workers. The Department of Personnel Administration released a "preliminary report" on total compensation on April 21, 2006. The report indicates that the administration intends to continue conducting surveys and research concerning total compensation.

LAO recommends that the Legislature adopt budget bill language similar to that included as a part of Item 8380-001-0001 in the 2005-06 Budget Act.

They suggest the following provisional language for the Department of Personnel Administration, Item 8380-001-0001:

The Department of Personnel Administration may use funds appropriated in this item to complete comprehensive salary surveys that include private and public employers, geographical data, and total compensation. The department shall provide to the appropriate fiscal and policy committees of each house of the Legislature and the Legislative Analyst, within 30 days of completion, each completed salary survey report.

COMMENTS

All parties appear to be comfortable with the language.

ITEM 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 twelve programs: Corrections and Rehabilitation Administration; 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.

POPULATION**Adult Population**

As of November 23, 2005, the CDCR adult inmate population totaled 167,806, which in an increase of 3,627 inmates from June 30, 2005. Additionally, the population is 1,403 inmates above the fall 2005 Population Projections, with average monthly increase of 725 incoming inmates per month.

The increasing population is hampering the state's ability to properly house and provide programming for inmates. CDCR's institutions are close to 200% design capacity. As a result, more than 12,000 inmates are housed in non-traditional overcrowding beds consisting of gym and dayrooms, as well as select use of triple bunking.

Additionally, state prisons are operating with more than 2,000 correctional officers positions vacant, for a vacancy rate near 9 percent. Beyond the correctional officer vacancies, CDCR prisons are operating with more than 4000 other vacant positions, for an overall vacancy rate of approximately 12 percent.

Juvenile Population

As of June 30, 2005, the Division of Juvenile Justice had a population of 3,205 wards and 3,643 parolees. The populations for DJJ is dramatically contrary to the escalating adult parole; the department projects a decrease in the number of wards through 2010 (2,415 wards). Likewise, the parolee population is also estimated to decrease by over 1,000 wards by 2010.

With a declining population, the departments shows an increase in per ward spending over the last few years. In 2003-04 the cost per ward was \$85,411 and the cost per parolee was \$10,591. Current year cost per ward are estimated to be \$121,877, where as the estimate cost per parolee is \$11,459.

ISSUE 1: SAFETY AND WELFARE REMEDIAL PLAN

In January 2003, a lawsuit, *Farrell v. Allen* (later changed to *Farrell v. Hickman*), was filed against the California Youth Authority (CYA), contending that CYA fails to provide adequate care and effective treatment programs to incarcerated wards. Issues raised in the court case included (1) high levels of violence in the facilities, (2) abusive and punitive measures carried out by custody staff, and (3) inadequate provision of mental health, sex offender, and substance abuse treatment for wards.

In November 2004, the administration entered into a consent decree in the *Farrell* case and agreed to develop and implement remedial plans that addressed operational and programmatic deficiencies identified by court experts in six areas: education, sex behavior treatment, disabilities, health care, mental health, and general corrections. After reviewing other youth correctional systems such as those in Texas and Florida, however, the administration decided to broaden the scope of reform at CYA. In addition to correcting the specific deficiencies in the expert reports, the administration announced that it would fundamentally transform CYA into a "rehabilitative model" of care and treatment for youthful offenders. The state and plaintiffs agreed to a fall 2005 deadline for the department to complete a Safety and Welfare Remedial Plan, which would serve as the General Corrections Remedial Plan required by *Farrell* as well as a plan for implementing the new model. In April 2006, five national experts have completed their review of the Safety and Welfare Remedial Plan, making various recommendations to the administration's proposal.

Considering the sheer and magnitude for the proposal to implement the Safety and Welfare plan, the department should provide an updates concerning their implementation effort.

ISSUE 2: PROTECTIVE VESTS

The administration submitted a finance letter requesting \$4.079 million to purchase new and replacement protective vests for personal issue and standby vest pool. This request will implement the department's Comprehensive Protective Vest Procedure, revised January 2006, which expanded the number of staff who is mandated to wear protective vests.

CDCR is currently budgeted for \$1.3 million (established by a Budget Change Proposal related to the Violence Control Pilot Program), which only provides for the purchase of approximately 3809 stab-resistant vests. Under the revised procedure, there is a need for an annual purchase of an estimated 11,752 vests.

Previously, protective vests were only issued to staff assigned to Security Housing Units, Administrative Segregation Units or Psychiatric Services Units. Under the revised procedure, all peace officers below the level of manager, which equates to almost 33,552 peace officers, are required to have a protective vest.

ISSUE 3: GANG MANAGEMENT

The Administration is requesting \$200,000 in contract funding to facilitate the formation of a Gang Management Workgroup. According to the department, the mission of CDCR has changed to include expansion of our Rehabilitation efforts, creating new workload that can not be absorbed by existing staff.

CDCR is striving to come into compliance with the mandates of the court in the area of identification, documentation, and management of gang activities. The continuing influence of gangs and the associated violence is a major obstacle to meeting our judicial mandates. The potential liability that the state faces comes with incalculable costs. This program will bring additional information and tools into play to deal with the pervasiveness of gang violence in the community and institutions.

Currently, CDCR is in the midst of revising the basic Gang Awareness Course for all new officers and developing a Gang Management lesson plan that will be implemented in July of 2006. Additional input from subject matter experts is essential to further develop and deploy the needed training and management tools necessary for gang awareness and management. The funds requested for this project are required to secure the services of subject matter experts from a variety of different agencies and states that have expertise or have had a measure of success with programs of this nature. Additionally the funding will allow for the department to employ the services of experts to develop the methodology for quantifying the success levels achieved by the programs.

COMMENTS:

The Legislative Analyst's Office recommends rejecting CDCR's request for \$200,000 to enter into a contract related to gang management. While they agree with the department's assessment that it could benefit from improved gang management strategies, we are concerned that the department has not provided sufficient detail regarding the nature of the proposed contract. Based on their conversations with the department, it is unclear whether the purpose of these funds would be to research best practices in other states, develop new punishments for gang members, implement rehabilitation programs, create staff training tools, or some combination of the above. Without a clear plan as to the intent of the contract, it remains unclear what specific benefit will be achieved with the requested funds.

Furthermore, this kind of expertise and training should already be taking place within the department. Within a prison system, the presence and activity of gang membership should not only be assumed but be adequately planned for as an existing component of CDCR's core function. However, if additional training and instructional development is necessary, a better allocation of this funding request maybe within the authority of Commission on Correctional Peace Officer Standards and Training.

ISSUE 4: RECIDIVISM REDUCTION STRATEGIES

The administration is requesting \$22.8 million and 217.5 positions in the budget year, with an additional \$26.5 million and 78.0 positions in fiscal 2007-08. The request funds are for a wide variety of programs and services the department hopes will reduce in-prison violence and parole recidivism.

In creating the new CDCR, the administration emphasized a mission of rehabilitation (as well as incarceration) for offenders in state prisons. The administration also emphasized the need to rely on research to develop evidence-based programs to reduce the likelihood that offenders will commit new crimes and return to prison.

To carry out this new mission, the department submitted a 2005 May Revision request, total \$15 million in 2005-06 and \$30 million in 2006-07 to expand adult inmate and parole recidivism reduction programs. However, because CDCR was unable to provide adequate detail on its proposal, the Legislature reduced the funding to \$7.5 million for the current year and required the department to provide an implementation plan prior to the expenditure of funds.

The CDCR request totals \$52.8 million (\$30 million for 2005-06 and \$22.8 million for the current request) for new and expanded programs in the budget year. This money would be used to develop and expand a wide range of programs, including education, rehabilitation, and treatment program for inmates and parolees.

Figure 3				
Recidivism Reduction Funding Request by Program Area				
<i>(In Millions)</i>				
	2005-06	2006-07	2007-08	2008-09
Prison Programs				
Inmate education	\$2.6	\$21.1	\$26.4	\$26.1
Rehabilitative programs	0.1	6.0	6.9	4.3
Treatment	1.0	3.9	3.8	3.8
Totals, Prison Programs	\$3.7	\$31.0	\$37.1	\$34.2
Parole Programs	\$1.5	\$7.8	\$27.5	\$48.1
Administrative Support				
Community partnerships	\$1.9	\$7.7	\$7.7	\$7.7
Research and implementation	0.2	5.1	4.9	4.7
Training and development	—	0.5	1.5	—
Support services	0.2	0.6	0.6	0.6
Totals, Administrative Support	\$2.3	\$13.9	\$14.7	\$13.0
Totals	\$7.5	\$52.8	\$79.3	\$95.3

COMMENTS:

The Legislative Analyst's Offices recommends approval of only \$24.4 million of the department's request for budget-year funding. The LAO recommendations are based on the proposal with sufficient detail to justify its request, such the request related to women's programs, substance abuse and research. Furthermore, they recommend that any approved funding should be for one-year limited term the budget year only (one-year limited term), so the Legislature can evaluate the department ability to implement the program, as well as the effectiveness of the programming. The following table summarizes the LAO recommendation.

Figure 4			
California Department of Corrections and Rehabilitation Recidivism Reduction Proposal LAO Recommendations—2006-07			
<i>(In Millions)</i>			
Issues	Governor's Request	LAO Recommended Funding Level	Savings
Inmate education	\$21.1	\$5.8	\$15.4
Rehabilitative programs	6.0	3.9	2.2
Treatment	3.9	3.8	0.1
Parole programs	7.8	5.3	2.5
Community partnerships	7.7	2.6	5.1
Research and implementation	5.1	3.0	2.1
Training and development	0.5	—	0.5
Support services	0.6	—	0.6
Totals	\$52.8	\$24.4	\$28.4

Additionally, staff has raised significant concerns about the lack of detail and relevant information the department has provided in support of this request. Specifically, staff is still uncertain about the proposal projected impact on the department, because the proposal lacks benchmarks and measurements. Recently, the department distributed information that address some of the concerns of staff, but CDCR inability to effectively communicate the goals and objectives, and provide a detailed plan for a multimillion dollar request from the onsite is troubling to staff, raising concerns about their ability to implement their proposal in its entirety.

ISSUE 5: AUTHORITY TO CONTRACT FOR MALE AND FEMALE ADULT BEDS

The administration requesting the Legislature to approve they intent to contract in fiscal year 2007-08 for an additional 4,000 male community correctional beds to meet project bed shortfalls, thereby reducing population pressure in the institutions, and 4,500 female community correctional beds to address gender-responsive strategies for a total of 8,500 beds.

The CDCR determined, based upon fall 2005 population projections, that the inmate population is expected to reach 168,583 by June 30, 2006 and 172,019 by June 20, 2007. As of January 25, 2006, the CDCR inmate population was 2,109 inmates above the fall projected level. Consequently, CDCR currently has insufficient celled and dormitory housing and has required to house inmate in "non-traditional" beds.

The 4,000 male beds will enable Level 1 and 2 inmates to be transferred to smaller community-based facilities to enhance inmate programming and decrease recidivism. The CDCR notes that it will contract with no more than eight (8) 500- beds CCFs.

The 4,500 female beds will enable Level 1 and 2 offenders to transition to smaller, more effective community-based facilities in three phases, implementing "wrap-around" program to enhance female offender programming success and decrease recidivism. This strategy is expected to strengthen female offender family bonds and support systems, break the cycle of intergenerational incarceration and improve continuity of care on parole by continuing relationships established with providers in the community.

COMMENTS:

The committee has received written concerns from various stakeholders, concerning the departments attempt to utilize private beds. Specifically, they sight that public safety, including incarceration, is a core function of the state that should not be delegated to companies with a fiduciary responsibility to maximize returns to their shareholders. Additionally, they raise concerns about the lack of cost projections, implementation timeline, and program operation detail.

Staff has also raised similar concerns about the cost and implementation of this proposal. To date, staff has not received answers to significant questions, including how does this proposal compare to in-prison options, including the use of flexible housing alternatives such as modular housing.

ISSUE 6: 2000 UNITY GPS MONITORING EXPANSION

The administration is requesting 12.7 positions and \$5.1 million to expand the use of Global Positioning Systems (GPS) to monitor and track the movement of High Risk Sex Offenders (HRSO) parolees assessed to be a high risk to re-offend. Also, this request includes the expansion of the program to include a limited number of Violent Offender parolees including: high notoriety, public interest, domestic violence, stalking, and validated gang parolees and parolees involved in major crimes.

Currently, the Division of Adult Parole Operations has 50 established High Risk Sex Offender (HRSO) caseloads throughout the state with a supervision ratio of 40:1. These 50 caseloads supervise approximately 2,000 HRSO parolees statewide. The 2004-05 Budget Act authorized the department to develop a GPS pilot program to supervise and track 500 HRSO.

The administration proposal would add 2,000 additional HRSO parolees to the program, as well as 500 identified Violent Offenders to the pilot project, increasing the number of parolees to 2,500. Additionally, the department seeks to reduce its parolee caseload to 20:1 (20 HRSO/Violent Offender parolees to one parole agent). With current caseloads more than double the proposed ratio, CDCR states that the reduction is critical to the effectiveness of the program due to the amount of information GPS provides.

COMMENTS:

The Legislative Analyst's Office recommends the deletion of the department's request for \$5.1 million in the budget year—growing to \$18.6 million by 2009-10—to expand its use of GPS for tracking sex offenders and other parolees. By 2009-10, this proposal would provide funding for an additional 2,000 GPS units and other equipment, as well as increased parole agent staffing. The department began implementing GPS supervision for the first time in the current year for 500 sex offender parolees. Because this is a new technology for the department and because there is little research evaluation on GPS nationwide, the department is having its current GPS program evaluated by University of California researchers to determine its effectiveness. The LAO believes it is appropriate to wait until the pilot project and its evaluation have been completed before committing to significant program expansions. According to CDCR, the evaluation is expected to be completed in August 2007.

Additionally, CDCR has noted a high number of vacancies, the department should comment on the number of vacancies specifically in these classifications and the department plan to fill those vacancies in addition to hiring the proposed positions.

ISSUE 7: RISK MANAGEMENT

The administration is requesting 2 positions to staff the Office of Risk management in Fiscal Year 2006/07; position authority for 19.0 positions in 2007-08 and an additional 19.0 positions in 2008-09. The total three-year request is for 40 new positions. In addition, CDCR is requesting to use contract funds in the amount of \$300,000 for three years. Although the proposal request position, CDCR proposed to funds this request through potential savings realized by offsetting workers' compensation cost.

In 2004, worker's compensation cost for the both California Youth Authority and the Department of Corrections, now CDCR, exceeded \$200 million. The current fee paid to the State Compensation Insurance Fund exceeds \$20 million. CDCR has the largest worker's compensation program statewide, and cannot be adequately served by the statewide master contract with State Compensation Insurance Fund.

The requested Office would attempt to effectively manage the departments risk indicators, which would require a system that identifies controls and lessens the impact of potential events. Likewise, the department seeks to hire a specialized consultant with a demonstrable expertise in the area of Risk Management for Public Entities to guide CDCR in the development of a comprehensive Risk Management Program.

ISSUE 8: RACIAL INTEGRATION

The administration submitted a finance letter requesting \$5.9 million (\$1.6 million ongoing) and 30.1 positions to fund staff, physical plant, training and equipment expenses to implement in-cell racial integration as required in the settlement agreement for Garrison Johnson. V. State of California.

The California Department of Corrections' (CDC) unwritten policy of racially segregating prisoners in double cells for up to 60 days each time they enter a new correctional facility is based on the asserted rationale that it prevents violence caused by racial gangs. Petitioner Johnson, an African-American inmate who has been intermittently double-celled under the policy's terms ever since his 1987 incarceration, filed this suit alleging that the policy violates his Fourteenth Amendment right to equal protection. The Settlement and Release Agreement state the CDCR shall integrate the Reception Centers by creating a housing protocol that assigns inmates to cells using several criteria, rather than race as the determinative factor.

CDCR is required to "use all available" information technology to assist staff in accessing housing information and for making sound housing decisions. A coding system will need to be developed that will identify the offender as eligible, partially eligible, or ineligible to live with an offender of one or more specific races. CDCR asserts that the Distributed Data Processing System (DPPS) needs to be modified to assist staff in determining the next available and appropriate bed assignment. CDCR further asserts that these changes can be accomplished without significant modifications to the DPPS.

The requested positions are for increase workload for reception centers due to the high volume of offenders and the need to verify and enter racial integration eligibility coding data timely for immediate housing of offenders.

COMMENTS:

In its programmatic detail, the department fails to include several pieces of information that would better assist the Subcommittee in their consideration of this request, including the listing of the criteria the department will utilize during their screening of inmates. However, staff recognizes the need to comply with the settlement agreement. Therefore, the subcommittee may wish to authorize the funding in the budget, but restrict its allocation until the department provides a comprehensive implementation plan for racial integration of the entire system, not just the Reception Centers.

ISSUE 9: RUTHERFORD LIFER LITIGATION

The administration submitted a finance letter requesting 49.5 positions and \$7.2 million to comply with the requirements of the *Rutherford v Schwarzenegger* class action lawsuit and provide CDCR with resources to eliminate the backlog of life prisoner parole hearings within 18 months.

The following chart summarizes the five components of CDCR's request:

Description	Pos	\$(000)
Lifer Grant: provides legal analysts positions to review lifer parole grants. The number of Board of Parole Hearings will increase due to the increase number of Commissioners and the implementation of procedure to eliminate the backlog of hearings.	4	\$300
Lifer Hearing Workload Staffing: provide supervisory and support staffing structure and ensures an efficient plan for future success toward eliminating the current lifer backlog and meeting the demands of scheduling lifer hearing for the Board of Parole Hearings.	11.3	\$1,051
Psychological Evaluations: provide for psychologists and materials to conduct mandated evaluations of inmates serving indeterminate Life Terms who are pending parole suitability hearings.	22	\$3,600
Case Records: provides for workload associated with lifer hearing processes, eliminate the parole consideration hearing backlog and complete a Feasibility Study Report to analyze converting and maintaining lifer hearing packets on CD-ROMS.	7.2	\$1,684
Investigation Division: provides two limited term position (Senior Investigators) and three permanent positions, as well as the conversion of a limited term Investigator Assistant to permanent. The staff increases will assist with the increase investigation functions due to the increase in lifer parole consideration hearings.	5	\$517

COMMENTS:

The Legislative Analyst's Office recommends approving the department's request with two technical adjustments relating to overtime for administrative staff, resulting in a total reduction of \$973,000, because the department has not provided sufficient justification for these funds.

In addition, the LAO raises two additional issues for the subcommittee's consideration. First, as discussed in the *2006-07 Analysis of the Governor's Budget*, a lack of a centralized database contributes to the department's backlog of lifer cases and limited ability to provide data. The department's proposal does not include a request related to the development of an IT system. According to the department, it will begin the development of an IT system using existing resources in the budget year and will request funds in 2007-08 in order to complete the project. The department expects the total project costs to be a few million dollars. Second, this request includes funding for psychologists to complete psychological and risk assessment evaluations of all lifer inmates prior to hearings. Based on previous discussions with the department, they have not made a final determination of what assessment tools will be utilized, but they are considering the use of several different evaluations, including a general risk assessment, a mental health evaluation, an assessment of psychopathy, and a sex offender evaluation. A different battery of evaluations will be used on each offender depending on his/her specific case

factors. Given the uncertainty about which evaluations will be utilized, as well as potential difficulties recruiting and retaining additional psychological staff, LAO suggests that the subcommittees require the department to provide more information on the specific assessment tools it will use and the ability of the department to fill these positions at subcommittee hearings.

ISSUE 10: RECORDS STAFFING AND AUTOMATION

The administration is requesting 5.0 positions and \$14.6 million to improve efficiency and accuracy of processing inmate/parolee records. The proposal consist of three components:

1. \$10 million to establish a classification structure to specific to CDCR Correctional Case Record Offices – the department proposed to work with DPA and the State Personnel Board to develop an appropriate classification and pay structure,
2. \$225,000 for a health records staffing ratio study – the division of Correctional Health Care Services is proposing to conduct a consultant-based statewide study of the health records management and staffing needs with DCHCS in order to meet court mandates, and
3. \$4.3 million to implement an electronic records management system for discharged offender records (\$1.5 million of this request is ongoing to cover future consultant and maintenance costs.)

COMMENTS:

In their 2006-07 analysis, the LAO recommends rejecting \$10 million of the \$14.6 million requested by the department to improve its management of inmate records. According to the department, the \$10 million is required to increase pay for case records staff in order to reduce vacancies among these positions in prisons. In light of the existing vacancies and the importance of the work performed by case records staff, the LAO believes that some level of increase may be justified to improve the department's ability to recruit and retain case records staff. However, this request is premature since the department lacks an implementation plan and no analysis has been conducted to determine how much of a pay increase, if any, case records staff should get. Furthermore, it is the LAO's understanding that the Department of Personnel Administration has not approved CDCR's proposal. Accordingly, the Legislature has no way of knowing how much funding is required to implement the department's proposal

ISSUE 11: PRIVATE COMMUNITY CORRECTIONAL FACILITY SECURITY

The administration request \$453,000 and 4.6 Correctional Sergeant positions to provide additional security at three remote private-contracted Community Correctional Facilities. This would provide a uniformed peace officer presence during the second and third shifts at the Baker, Leo Chesney and Mesa Verde CCFs. A supervisory employee with peace office power could direct/deputize contract staff as necessary, thereby authorizing CCF staff to access the armory for the purposes of effecting custody.

COMMENTS:

In their 2006-07 analysis, the LAO recommends rejecting the department's request for \$453,000 (budget year) to provide additional custody staff at three CCFs. The department requests these funds because of concern that limited state correctional staffing at CCFs contributed to recent inmate disturbances. The LAO recommends rejection of this request because the inmate disturbances at CCFs are infrequent. In fact, there have only been a total of five inmate disturbances at the three targeted facilities in the last five years. Therefore, the LAO does not believe the department has identified a sufficient need to justify this request for funding.

ISSUE 12: KERN VALLEY STATE PRISON-BASE STAFFING

The administration is requesting \$40.6 million for 60.7 positions for Kern Valley State Prison (KVSP). Accordingly, to the department the original staffing package for KVSP did not fully account for the institution's unique design, which includes an enhanced outpatient program, as well as the sensitive needs and integrated yards.

KVSP was established in fiscal year 2000-01. The original staffing package created was determined by comparing the base staffing with the approved base staffing of like security levels and missions without consideration of the facilities design. In addition, KVSP includes a program for mental health, a Sensitive Need Yard, and an Integration Yard Program. No other prison project has included these programs in an initial program activation package. In addition, because of the critical bed shortage, KVSP has had to activate design and 190% overcrowding at the same time.

The administration contends that these positions are needed to complete the scheduled activation of Kern Valley State Prison.

COMMENTS:

Given the department's overall vacancy rate and their notes difficulty in hiring specific positions (including, social workers and psychiatrists, which are included in the staffing request), the department should provide the Legislature with testimony concerning the department's plan to recruit and retain individuals to fill these positions, in addition to the department's current vacancy.

Additional, it has been hinted that the department maybe adjusting this request during the May Revision. The subcommittee may want the department to testify to any consideration of revising this proposal.

ISSUE 13: BOARD OF PAROLE HEARINGS – ADULT OFFENDER APPEALS UNIT

The administration is requesting 8 positions and \$640,000 for the Board of Parole Hearings to re-establish the Adult Offender Appeals Unit. This unit would process and respond to all appeals submitted by adult prisoners and parolees seeking to redress Board decisions and action.

The purpose of the Adult Offender Appeals unit is to resolve adult inmate or parolee appeals by providing an administrative review step in the process before an adult prisoner or parolee files with the courts for a resolution. However, in 2004, CDCR discontinued this practice because an internal analysis affirmed that a minimal percentage of offender administrative appeals were granted; and felt that since an offender administrative appeals mechanism is not mandated by law, that function could be discontinued and any appeals therefore could be elevated directly to Superior Court.

CDCR now claims that the abolishment of the Adult Offender Appeals Unit has resulted in a large number of appeal-related issues going directly to the courts. Hence, the courts are being inundated with grievances by adult prisoners and parolees regarding Board actions that can be resolved at the administrative level by re-establishing an Adult Offender Appeals Unit.

ISSUE 14: PAROLE LEADS – MODERNIZATION REAPPROPRIATION

The administration requests the reappropriation of \$4.1 million in funding from fiscal year 2005-06 to the budget year to support the development, implementation and maintenance of a modernized Parole Law Enforcement Automated Data System. Due to time constraints and limited staffing authority for the proposed project, the development of a reportable Information Technology document (Feasibility Study Report) was delayed until redirected positions could be dedicated to this project, resulting in the need to reappropriate the remaining unexpended funds as approved by the Legislature in the 2004 Budget Act.

In 1997, the department implemented Parole LEADS, enabling CDCR staff and crime analysts in local law enforcement agencies to directly access parolee data over a secure internet connection. Funding for the Parole LEAD Modernization was part of the Parolee Accountability Model budget augmentation in 2004-05. The augmentation was given to the department to establish programs to reduce recidivism in reintegrated parolees into the community and protect public safety. The modernization of Parole LEADS was aided this by effort by assisting with the supervision of parolees and capturing Parolees-at-Large.

ISSUE 15: CRITICAL SPECIAL REPAIR PROJECTS AND ASSESSMENTS

The department is requesting \$11 million for special projects and assessment. According to CDCR institutional standards, the department is currently under funded by \$132 million for the maintenance, repair and replace of its infrastructure. This proposal is to complete projects critical to the life, safety and environmental compliance system in operation. Furthermore, the \$11 million represents the amount of activity that can be successfully taken on by CDCR.

ISSUE 16: ENTERPRISE INFORMATION SERVICES CORRECTIVE ACTION PLAN

The administration submitted a finance letter requesting 5 positions and \$2.2 million to begin addressing the deficiencies identified in a Department of Finance information technology assessment. Of the amount requested, it is proposed that \$1.0 million of the request for a comprehensive study of the CDCR's existing information technology resource and workload be available upon the Legislature approval of a work plan detailing the scope of the work to be performed in the study.

ISSUE 17: INCREASE FEDERAL FUNDS EXPENDITURE AUTHORITY

The administration submitted a finance letter request for an additional \$571,000 in Federal Trust Fund Authority to contract with consultants to develop and implement a plan that ensure that minors and adults are properly separated in Division of Juvenile Justice Facilities. Also, the request will allow the Corrections Standards Authority (CSA) to review juvenile facilities that they have already inspected in the past and to ensure that CSA is collecting all the appropriate data from the facilities they currently inspect.

The Juvenile Justice and Delinquency Prevention Act (JJDA) was enacted to provide state and local agencies with support to prevent juvenile delinquency. JJDA requires that state comply with four core protections in order to receive formula grants from the federal government. CSA is statutorily mandated to establish regulations for local detention facilities and local juvenile detention facilities, and to biennially inspect those facilities for compliance with the regulations; thereby, monitoring compliance with the core protection of JJDA.

ISSUE 18: BUSINESS INFORMATION SERVICES – REAPPROPRIATION

The 2005 Budget Act appropriated \$10.07 million for the purpose of the continued development of the Business Information System (BIS) project.

CDCR is continuing to work with the Administration to develop a CDCR statewide IT infrastructure proposal. However, until that proposal is completed, this request has been made to secure the necessary resources to implement the required infrastructure components within the context of the BIS project.