



APR 01 2008

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Various Budget Bill Items, Support, and Addition of Item 5225-490, Reappropriation, California Department of Corrections and Rehabilitation

It is requested that Item 5225-001-0001 be decreased by \$48,707,000, Item 5225-001-0890 be increased by \$1,370,000, Item 5225-002-0001 be revised, and Item 5225-490 be added to reflect the following adjustments:

Discharged Offender Records Management System—A decrease of \$1,245,000 General Fund to reflect lower scanning and storage costs of inmate files, and to remove the costs associated with scanning and storing specified health records.

Business Information System—Addition of Item 5225-490 (Attachment I) to reappropriate \$2.5 million from the Budget Act of 2007 for the Business Information System (BIS). This reappropriation is necessary to fund costs which were previously deferred. The deferred costs will not affect the project's activation schedule.

Prisoner Re-entry Initiative Grants—An increase of \$1,370,000 federal funds to provide assessment and planning support for non-violent offenders reintegrating into society as part of the United States Department of Justice Prisoner Re-entry Initiative Grant Program.

Community Correctional Facility Security Enhancements—An increase of \$529,000 General Fund to provide on-site peace officer staff at Community Correctional Facilities to act as a deterrent to inmate disturbances, prevent such disturbances from escalating into more serious situations, and to isolate and contain inmate incidents that occur.

Executive Exempt Positions—A redirection of existing positions and resources to establish 5.0 exempt positions to serve as Undersecretary of Adult Programs, Chief Deputy Secretary for Facility Planning, Construction and Management, Chief Deputy Secretary for Correctional Health Care Services, Director for Division of Addition and Recovery Services, and Director for Correctional Health Care Services. In addition, trailer bill language (TBL) (Attachment II) is being requested to establish these positions in statute and make them subject to Senate confirmation.

Baseline Adjustments—A net reduction of \$20,789,000 to reflect one-time and full year costs that were not included in the 2008-09 Governor's Budget. These adjustments include the removal of one-time costs related to administrative segregation cell modifications (-\$12,849,000) and electromechanical security door operating and locking systems (-\$10,278,000), and full year costs for the BIS (\$1,790,000) and the Discharged Offender Records Management System (\$548,000).

Armstrong v. Schwarzenegger: Court Compliance Plan Adjustment—A decrease of \$29,806,000 General Fund to revise the California Department of Corrections (CDCR) Court Compliance Plan. This adjustment also includes proposed Budget Bill language (BBL) (Attachment III) authorizing an augmentation to the CDCR's budget, upon approval of appropriate project documents by the Office of the Chief Information Officer (OCIO) and 30-day legislative notification, if the OCIO identifies an information technology gap between the development of the Strategic Offender Management System, the Disability and Effective Communication System, and the requirements of the *Armstrong v. Schwarzenegger* court orders.

L.H. v. Schwarzenegger: Juvenile Parole Due Process Adjustment—An increase of \$309,000 General Fund to provide juvenile parolees with attorney representation to meet due process rights consistent with the January 29, 2008 court order.

Lugo v. Schwarzenegger: Lifer Hearings Adjustment—A decrease of \$306,000 General Fund to reflect a January 1, 2009 start date for the new Commissioner positions requested in the Governor's Budget. The proposed TBL (Attachment IV) has also been revised to reflect a January 1, 2009 effective date.

Coleman v. Schwarzenegger: Mental Health Staffing Workload—An increase in position authority to allow the CDCR to establish new positions and reclassify existing positions as recommended in the Mental Health Workload Study completed as a result of a court order. The positions will be funded within existing resources in 2008-09 due to high vacancies in the Mental Health Program, resulting in sufficient salary savings in 2008-09.

Coleman v. Schwarzenegger: Administrative Segregation Yard Program Expansion—A one-time General Fund augmentation of \$1,646,000 to expand the Administrative Segregation Yard Program to third watch at eight institutions. This adjustment is necessary to meet the minimum 10 hours of exercise time for inmates participating in the Mental Health Services Delivery System.

Case Records Staffing Adjustment—A net decrease of \$2,545,000 General Fund in order to correctly apply work credits to the terms of certain inmates. It is requested that \$5,239,000 be added to the CDCR's budget for workload costs associated with manual release date calculations. The completion of this workload is estimated to result in population savings of \$7,784,000 in 2008-09.

Tuberculosis Testing and Hepatitis B Vaccinations for California Department of Corrections and Rehabilitation Employees—An increase of \$3.5 million General Fund to allow the CDCR to enter into a contract to administer tuberculosis testing and Hepatitis B vaccinations for CDCR employees. BBL (Attachment V) is also proposed to restrict expenditure of these funds for this purpose and to require the CDCR to report actual contract costs to the Department of Finance.

The effect of my requested action is reflected on the attachment.

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If you have any questions or need additional information regarding this matter, please call Jennifer Osborn or Amy Jarvis, Principal Program Budget Analysts, at (916) 445-8913.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
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Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. James E. Tilton, Secretary, California Department of Corrections and Rehabilitation
Ms. Heidi Lackner, Director, Division of Support Services, California Department of Corrections and Rehabilitation
Mr. Scott Carney, Deputy Director, Office of Fiscal Services, California Department of Corrections and Rehabilitation
Mr. Dave Lewis, Associate Director, Budget Management Branch, California Department of Corrections and Rehabilitation

Attachment I

Proposed Budget Bill Language

5225-490—Reappropriation, Department of Corrections and Rehabilitation
The balance of the appropriation provided in the following citation is reappropriated for the purposes provided for in the appropriation and shall be available for expenditure or encumbrance as cited below.

0001 – General Fund
Item 5225-001-0001 Budget Act of 2007 (Chs. 171 and 172, Stats. of 2007). The balance of the funds appropriated for the support, development, implementation, and maintenance of the Business Information System is reappropriated for that purpose and shall be available for expenditure or encumbrance until June 30, 2009.

Attachment II

Proposed Trailer Bill Language

SECTION 1. Section 12838 of the Government Code is amended to read:

12838. (a) There is hereby created in state government the Department of Corrections and Rehabilitation, to be headed by a secretary, who shall be appointed by the Governor, subject to Senate confirmation, and shall serve at the pleasure of the Governor. The Department of Corrections and Rehabilitation shall consist of Adult Operations, Adult Programs, Adult Correctional Health Care Services, Juvenile Justice, the Corrections Standards Authority, the Board of Parole Hearings, the State Commission on Juvenile Justice, the Prison Industry Authority, and the Prison Industry Board.

(b) The Governor, upon recommendation of the secretary, may appoint ~~two~~ three undersecretaries of the Department of Corrections and Rehabilitation, subject to Senate confirmation, who shall hold office at the pleasure of the Governor.

(c) The Governor, upon recommendation of the secretary, shall appoint ~~three~~ five chief deputy secretaries, subject to Senate confirmation, who shall hold office at the pleasure of the Governor. One chief deputy secretary shall oversee adult operations, one chief deputy secretary shall oversee adult programs, one chief deputy secretary shall oversee adult correctional health care services, and one chief deputy secretary shall oversee juvenile justice ~~for the department.~~, and one chief deputy secretary shall oversee facilities, planning and construction for the department.

~~(d) The Governor, upon recommendation of the secretary, shall appoint an assistant secretary, subject to Senate confirmation, who shall be responsible for health care policy for the department, and shall serve at the pleasure of the Governor.~~

~~(e)~~ (d) The Governor, upon recommendation of the secretary, shall appoint an Assistant Secretary for Victim and Survivor Rights and Services, and an Assistant Secretary for Correctional Safety, who shall serve at the pleasure of the Governor.

SEC. 2. Section 12838.2 of the Government Code is amended to read:

12838.2. There is hereby created within the Department of Corrections and Rehabilitation, under the Chief Deputy Secretary for Adult Programs, the Division of Community Partnerships, the Division of Education, Vocations and Offender Programs, and the ~~Division of Correctional Health Care Services~~ Division of Addiction and Recovery Services. Each division shall be headed by a chief who shall be appointed by the Governor, at the recommendation of the secretary, subject to Senate confirmation, who shall serve at the pleasure of the Governor.

SEC. 3. Section 12838.35 is added to the Government Code, to read:

12838.4. There is hereby created within the Department of Corrections and Rehabilitation, under the Chief Deputy Secretary of Adult Correctional Health Care Services, a Division of Adult Correctional Health Care Services, headed by a chief who shall be appointed by the Governor, at the recommendation of the secretary, subject to Senate confirmation, who shall serve at the pleasure of the Governor.

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SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2008 at the earliest time possible, it is necessary that this act take effect immediately.

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Attachment III

**Proposed Budget Bill Language
to be added to Item 5225-001-0001**

Provision XX. The Director of Finance may augment this item by up to \$15,000,000 upon approval of a Feasibility Study Report or a Special Project Report by the Office of the State Chief Information Officer that identifies a gap and a need for an information technology solution between the development of the Strategic Offender Management System, the Disability and Effective Communication System, and the requirements of the *Armstrong v. Schwarzenegger* court orders. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee may determine.

Attachment IV

Revised Trailer Bill Language

SEC. 1. Section 5075 of the Penal Code is amended, to read:

5075. (a) Commencing July 1, 2005, there is hereby created the Board of Parole Hearings. As of July 1, 2005, any reference to the Board of Prison Terms in this or any other code refers to the Board of Parole Hearings. As of that date, the Board of Prison Terms is abolished.

(b) The Governor shall appoint ~~47~~ 20 commissioners, subject to Senate confirmation, pursuant to this section. Of those ~~47~~ 20 commissioners, ~~42~~ 15 shall be appointed and trained to hear only adult matters, and five shall be appointed and trained to hear only juvenile matters. The terms of the commissioners shall expire as follows: ~~eight on July 1, 2007, and nine on July 1, 2008~~ five on July 1, 2009, five on July 1, 2010, five on July 1, 2011, and five on July 1, 2012. Successor commissioners shall hold office for terms of ~~three~~ four years, each term to commence on the expiration date of the predecessor. Any appointment to a vacancy that occurs for any reason other than expiration of the term shall be for the remainder of the unexpired term. Commissioners are eligible for reappointment. The selection of persons and their appointment by the Governor and confirmation by the Senate shall reflect as nearly as possible a cross section of the racial, sexual, economic, and geographic features of the population of the state.

(c) The chair of the board shall be designated by the Governor periodically. The Governor may appoint an executive officer of the board, subject to Senate confirmation, who shall hold office at the pleasure of the Governor. The executive officer shall be the administrative head of the board and shall exercise all duties and functions necessary to insure that the responsibilities of the board are successfully discharged. The secretary shall be the appointing authority for all civil service positions of employment with the board.

(d) Each commissioner shall participate in hearings on each workday, except when it is necessary for a commissioner to attend training, en banc hearings or full board meetings, or other administrative business requiring the participation of the commissioner. For purposes of this subdivision, these hearings shall include parole consideration hearings, parole rescission hearings, and parole progress hearings.

(e) Notwithstanding subdivision (b), commissioners in office on the effective date of the act adding this subdivision shall serve three-year terms, and commissioners newly authorized pursuant to the act adding this subdivision shall be appointed to terms that shall expire July 1, 2012.

(f) Notwithstanding any other provision of law, subdivision (b) and (e) shall not take effect until January 1, 2009.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2008 at the earliest time possible, it is necessary that this act take effect immediately.

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Attachment V

**Proposed Budget Bill Language
to be added to Item 5225-001-0001**

Provision XX. Of the amount appropriated in Schedule (1), \$3,500,000 is for contract costs to provide employees of the Department of Corrections and Rehabilitation with tuberculosis testing and Hepatitis B vaccinations. Any funds not expended for this purpose by June 30, 2009, shall revert to the General Fund. The Department of Corrections and Rehabilitation shall report actual contract expenditures to the Department of Finance.



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Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 5225-301-0001, 5225-301-0660, and 5225-495, Capital Outlay, Department of Corrections and Rehabilitation

It is requested that Item 5225-301-0001 be increased by \$12,764,000 to reflect the following:

1. Add \$6.0 million and Provision X, see below, for study and acquisition for the Statewide Reentry Facilities Program. This funding and provisional language will enable the Department of Corrections and Rehabilitation (Department) to perform preplanning activities, including site investigations, preliminary real estate due diligence, and entering into agreements for the acquisition of an option to purchase real property. Although the Department has identified multiple counties interested in siting reentry facilities, it currently has no funding source available to complete the pre-planning activities necessary for site selection and acquisition. While AB 900, as amended, provides lease revenue bond funding for acquisition, design, and construction, these preplanning activities are not compatible with lease revenue bond financing. This funding will help expedite site selection which will enable acquisition, design, and construction activities to begin using the funding provided in AB 900.

Provision:

- X. The funds appropriated in Schedule 3.5 are to be allocated by the department, upon approval of the Department of Finance, for site investigation and real estate due diligence activities preliminary to the site selection and acquisition of interests in real property. In performing these activities the department is authorized, with the approval of the State Public Works Board, to enter into agreements for the acquisition of an option to purchase real property.
2. Add \$1,694,000 for preliminary plans for the Salinas Valley State Prison, Soledad—180 Housing Unit Conversion and Mental Health Services Building Addition project. This project will convert the existing Administrative Segregation Unit Enhanced Outpatient Program (EOP) housing unit to General Population EOP housing and expand the existing Mental Health Services Building to provide office and treatment space for this new EOP population. This project is part of the Long-Term Mental Health Bed Plan that was approved by the *Coleman* Court.

3. Add \$399,000 for preliminary plans (\$222,000) and working drawings (\$177,000) for the Salinas Valley State Prison, Soledad—Intermediate Care Facility Treatment Space project. This project consists of converting the existing dining room space between housing units D5 and D6 to six mental health group treatment rooms for the Intermediate Care Facility inmate population housed in those units. This project is part of the Long-Term Mental Health Bed Plan that was approved by the *Coleman* Court.
4. Add \$1,168,000 for preliminary plans for the California State Prison, Sacramento, Represa—Treatment and Office Space to Accommodate 192 EOP Inmate-Patients project. This project will convert unused warehouse space to program, treatment, and office space necessary to serve the existing 192 Level IV EOP Inmate-patients housed in Facility B. This project is part of the Long-Term Mental Health Bed Plan that was approved by the *Coleman* Court.
5. Add \$516,000 for construction for the O. H. Close Youth Correctional Facility, Stockton—Inyo Behavioral Treatment Program Space project. This project will reconfigure the existing dayroom of the Inyo Living Unit to accommodate two new education/treatment rooms for use by the Behavioral Treatment Program. The space provided through this project is necessary to comply with the requirements of the Prison Law Office Consent Decree and Division of Juvenile Justice Remedial Plan resulting from the *Farrell v. Tilton* lawsuit.
6. Add \$517,000 for construction for the O. H. Close Youth Correctional Facility, Stockton—Humboldt Specialized Counseling Program Building project. This project will complete an addition to the existing Humboldt Annex Building to provide office and treatment space for the Specialized Counseling Program. The space provided through this project is necessary to comply with the requirements of the Prison Law Office Consent Decree and Division of Juvenile Justice Remedial Plan resulting from the *Farrell v. Tilton* lawsuit.
7. Increase by \$146,000 for the addition of preliminary plans (\$64,000) and an increase in working drawings (\$82,000) for the California Institution for Women, Frontera—20-bed Psychiatric Services Unit (PSU) project. The increased costs are attributed to the inclusion of a permanent modular unit into the overall PSU housing unit conversion project to provide office and treatment space necessary to support the new PSU. The addition of this modular addresses the *Coleman* Court orders for constitutionally adequate mental health services to inmates.
8. Increase by \$2,324,000 for construction for the Chuckawalla Valley State Prison, Blythe—Wastewater Treatment Plant Improvements project. The increased costs reflect more detailed scope and schedule information obtained during the recent completion of preliminary plans. During the completion of preliminary plans more specific material and equipment needs were identified and it was determined that this project's construction schedule must be extended from 18 months to 24 months. Funding of this continuing project will help prevent future violations and the potential issuance of a Cease and Desist Order from the Colorado River Basin Regional Water Quality Control Board.

It is requested that Item 5225-301-0660 be increased by \$15,263,000 for working drawings (\$992,000) and construction (\$14,271,000) for the California Men's Colony, San Luis Obispo—Central Kitchen Replacement project. This funding is necessary to enable the Department to update the working drawings, originally completed in 1999, and proceed to construction.

Continued operation of this kitchen in its current condition is a serious health and safety risk to both the inmates and the departmental staff who work in it. The existing construction appropriation is being reverted (Issue 715).

It is requested that Item 5225-495 be amended to include the reversion of the unencumbered balance of \$10,264,000 for the following project phase:

Item 5225-301-0660, Budget Act 2007:

1. California Men's Colony, San Luis Obispo: Central Kitchen Replacement—Construction.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Chris Lief, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL C. GENEST
Director
By:

/s/ Fred Klass

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
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Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. James Tilton, Secretary, Department of Corrections and Rehabilitation
Ms. Deborah Hysen, Chief Deputy Secretary, Facility Planning, Construction, and
Management, Department of Corrections and Rehabilitation
Mr. Dean Borg, Director, Finance Administration and Support, Facility Planning,
Construction, and Management, Department of Corrections and Rehabilitation
Ms. Darlene Maston, Chief, Project Financing Section, Facility Planning, Construction, and
Management, Department of Corrections and Rehabilitation