STATE OF CALIFORNIA

Budget Change Proposal - Cover Sheet

DF-46 (REV 07/17)

Fiscal Year	Business Unit	Department	Priority No.
2018-19	5225	California Department of Corrections and Rehabilitation	10

Budget Request Name	Program	Subprogram
5225-153-BCP-2018-GB	**4540 – Adult Corrections and Rehabilitation Operations – Inmate Support**	**4540036 – Inmate Employment**

Budget Request Description

Inmate Pay

Budget Request Summary

The California Department of Corrections and Rehabilitation requests $1.8 million General Fund in 2018-19 and ongoing to fund inmate pay wage increases for Plant Operations positions to bring pay rates in line with California Prison Industry Authority and Inmate Ward Labor jobs.

Requires Legislation	Code Section(s) to be Added/Amended/Repealed	
☐ Yes ☒ No		
Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Project Approval Document: Approval Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Heidi Lackner		Jason Lopez	
Department Director	Date	Agency Secretary	Date
Kathleen Allison		Scott Kernan	

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

PPBA	Date submitted to the Legislature
Original Signed By: **Madelynn McClain**	1/10/18

BCP Fiscal Detail Sheet

BCP Title: Inmate Pay

BR Name: 5225-153-BCP-2018-GB

Budget Request Summary

	FY18					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
539X - Other	0	1,820	1,820	1,820	1,820	1,820
Total Operating Expenses and Equipment	**$0**	**$1,820**	**$1,820**	**$1,820**	**$1,820**	**$1,820**
Total Budget Request	**$0**	**$1,820**	**$1,820**	**$1,820**	**$1,820**	**$1,820**

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	1,820	1,820	1,820	1,820	1,820
Total State Operations Expenditures	**$0**	**$1,820**	**$1,820**	**$1,820**	**$1,820**	**$1,820**
Total All Funds	**$0**	**$1,820**	**$1,820**	**$1,820**	**$1,820**	**$1,820**

Program Summary

Program Funding						
4540036 - Inmate Employment	0	1,820	1,820	1,820	1,820	1,820
Total All Programs	**$0**	**$1,820**	**$1,820**	**$1,820**	**$1,820**	**$1,820**

Analysis of Problem

A. Budget Request Summary

The California Department of Corrections and Rehabilitation (CDCR) requests $1.8 million General Fund in 2018-19 and ongoing to fund inmate pay wage increases for Plant Operations positions to bring pay rates in line with California Prison Industry Authority (CalPIA) and Inmate Ward Labor (IWL) jobs.

B. Background/History

Plant Operations in the state prisons have faced many challenges over the years. Business services reviews completed by CDCR's Office of Audits and Court Compliance and environmental health surveys completed by the Department of Public Health have consistently cited Plant Operations for noncompliance with equipment preventative maintenance policies, procedures, and/or regulations. Corrective Action Plans are required to address these continual deficiencies. A review of CDCR's automated work order history shows the backlog of incomplete work orders at the majority of CDCR's facilities for calendar year 2015-16:

Statewide Work Order Average for 2016-17 Calendar Year		
Total Created	**Total Completed**	**% Incomplete**
23,563	**15,995**	**32.10%**

Due to the extreme maintenance demands of aging infrastructure, prisons must be able to rely on a full complement of both civil service and inmate Plant Operations workers to perform preventative and recurring maintenance work. Prisons have struggled to fill and retain skilled inmate workers in the Plant Operations trades due to competing jobs with CalPIA and IWL. CalPIA's wages are established by the Prison Industry Board in compliance with Penal Code section 2811. IWL has adopted the CalPIA wage compensation schedule (See Attachment A - Inmate Pay Scale Tables). These wages are considered exceptional and higher than established CDCR inmate Plant Operations wages. These more attractive wages often lead inmates to select higher paying positions over Plant Operations positions.

Inmates employed by Plant Operations, IWL and PIA perform very similar types of work under the supervision of skilled tradespeople. Preventive and recurring maintenance activities performed by Plant Operations require an understanding by the inmate of building systems such as mechanical, electrical, and plumbing as well as the interrelationship between the systems' components. This understanding is needed to diagnose when a problem with one system component is signaling necessary maintenance and repairs elsewhere in the system. Development of a similar skillset is required for an inmate to satisfactorily perform PIA or IWL job duties.

Institutions' Plant Operations employs a myriad of skilled civil servant tradespersons in the areas of plumbing, electrical, maintenance mechanics, stationary engineering, painting, fabrication maintenance mechanics, boiler house, water and sewage plant (critical position that requires certification), carpentry, general labor, and groundskeeping. Most of these classifications include several steps or levels of skills and corresponding pay in recognition of increased expertise gained with education and/or experience. These advanced skillsets enable inmates to obtain employmen in journey level trades positions upon release.

Analysis of Problem

IWL provides inmates with on-the-job vocational skills in construction, renovation, and repair of buildings/infrastructure on prison grounds based on the institution's capital outlay and repair priorities. The focus of the IWL program is to ensure that participating inmates develop the skills needed for employment in construction fields upon release. When IWL performs a project at a prison, they hire inmate workers (typically from Plant Operations) to assist them in completion of their project.

The IWL program performs complex construction projects for CDCR pursuant to construction drawings prepared by architects and engineers. Unlike PIA and Plant Operations, IWL does not have a recurring set of daily/weekly/monthly work tasks (such as performing preventive maintenance or cleaning and repairing health care spaces), or a standard annual budget appropriation. After the design process and contruction drawing approval, construction projects are assigned to IWL. IWL then prepares a construction budget for each project which incldues inmate labor costs. An inmate's is employed by IWL only for the duration of a construction project at their prison rather than an ongoing assignment such as Plant Operations or PIA.

IWL workers are often trained in multiple disciplines during the course of a project, gaining more comprehensive work experience that can be applied in Plant Operations or in employment upon release. The tasks required for each project change depending on the type of construction and may include underground utilities, building foundation pads, ridged framed construction, concrete tilt-up panels, roofing systems and components, and mechanical/electrical/plumbing systems. Additionally, IWL offers formal recognized training curriculum through its pre-apprenticeship programs to a portion of its inmate workers that may lead to lucrative apprenticeship programs and/or jobs in union trades upon release. These pre-apprenticeship programs also qualify for milestone completion credits. This can further incentivize an inmate to accept an IWL position over a Plant Operations position.

CalPIA's primary function is to rehabilitate inmates and facilitate their successful reentry into society. CalPIA employs approximately 7,000 inmates and operates over 100 service, manufacturing, and agricultural industries at 34 prisons. Industries produce a myriad of products including flags, coffee, shoes, printing services, signs, binders, eyeware, gloves, office furniture, license plates, clothing, and cell equipment. CalPIA also offers pre-apprenticeship programs in union trades positions and milestone completion credits.

The opportunities provided by IWL and CalPIA make it difficult for Plant Operations to recruit workers as inmates prefer work at CalPIA or IWL at higher wages with opportunities to gain additional knowledge and for higher paying jobs upon release.

As reflected in Attachment A, both CalPIA and IWL inmate workers receive wages between $.35 and $1.00 per hour. Other institution workers, including Plant Operations, receive between $.08 and $.37 per hour. As a consequence, there are no Plant Operations jobs with wages equivalent to CalPIA and IWL for corresponding levels of skill. CalPIA has a training rate of $.40 per hour paid during the 18-month training program and if an inmate does not obtain their GED during this time, they are moved down to the $.35 per hour rate. CalPIA's lowest rate of $.35 per hour is only $.02 below the highest Plant Operations pay rate of $.37.

C. State Level Considerations

It is the responsibility of CDCR to provide safe and secure facilities, protect public safety, and provide necessary inmate services. Maintaining the physical plant is an essential component of this responsibility. In order to provide these essential services, CDCR must have adequate funding and staffing.

D. Justification

The Department's Plant Operations workforce pay has not been augmented to address the disparity among inmate wages of similar programs or to keep pace with the maintenance demands of an aging infrastructure. Bringing the Plant Operations pay scales into parity with CalPIA and IWL will assist in filling vacant positions. This will alleviate outstanding maintenance and repair issues allowing Plant Operations to attract and retain inmate workers rather than losing them to CalPIA or IWL.

The Plant Operations Inmate Assignment Count (Attachment B) reflects the number of Plant Operations positions filled and vacant by job level and compares pay scales at mid-range for CDCR and CalPIA for levels ranging from Leadsperson to Laborer. In order to attract inmates to critical Plant Operations positions, a permanent baseline augmentation of $1.8 million General Fund is requested to fund inmate pay wage increases for Plant Operations. This request will bring these jobs into parity with inmate workers currently employed in the state prisons with CalPIA and IWL.

E. Outcomes and Accountability

Approval of this request will allow the Department to attract inmates to Plant Operations positions, thereby filling vacancies and meeting the operational need of the institutions for Plant Operations work.

F. Analysis of All Feasible Alternatives

Alternative 1: Provide $1.8 million General Fund to bring Plant Operations inmate pay up to parity with CalPIA and IWL.

Pros:

- Plant Operations will be able to attract and retain inmate workers rather than losing them to CalPIA or IWL
- Inmates will have a skill set when they are released and viable work experience
- Facilities will be maintained with an adequate inmate workforce
- Work order backlog will be reduced

Cons:

- Increased General Fund expenditures

Alternative 2: Compensate Plant Operations positions at parity with the CalPIA pay scales as permitted in DOM section 51120.6 based on extraordinary circumstances, i.e. backlog of work orders in the field, water and sewage plant certification requirements, etc.

Pros:

- Facilities will be maintained with an adequate inmate workforce
- Inmates will have a skill set when they are released and viable work experience
- Work order backlog will be reduced

Cons:

- Inmates may not be enticed to take the Plant Operations jobs
- Disparity in pay for similar tasks and skills

Alternative 3: Hire outside contractors to complete the bulk of the backlog of work assignments.

Pros:
- Facilities will be maintained with outside labor
- Work order backlog will be reduced

Cons:
- More costly than utilizing inmate workers
- Fewer inmates will have an opportunity to gain employment and related skills and rehabilitative benefits
- Use of contractors may violate agreements with labor organizations

Alternative 4: Provide $966,000 General Fund to increase the top two pay grades so that they are in line with CalPIA and IWL.

Pros:
- Will encourage inmates to seek increasingly complex trades that are in demand in the community thus enhancing their opportunities for future success and growth
- Plant Operations will be able to attract more inmate workers to fill critical positions in facility maintenance and improvement

Cons:
- Will not achieve Department maintenance objectives
- Difficulty will remain in filling lower level positions

G. Implementation Plan

CDCR is requesting approval of permanent General Fund resources beginning in 2018-19 and ongoing. The funding will be allocated in the initial allotment to the 35 institutions. Wardens will be advised of the Plant Operations inmate pay funding augmentation. CDCR will work with inmate assignment lieutenants and the Strategic Offender Management System (SOMS) to update the pay rates. Notification of the opportunities for employment in Plant Operations will be provided to inmates through Men's/Women's Advisory Councils, classification committees, and the inmate television channel. The Division of Adult Insitutions will also work with the Facilities Management Division to coordinate this effort to ensure smooth implementation.

H. Supplemental Information

Attachment A - Inmate Pay Scale Tables
Attachment B - Plant Operations Inmate Assignment Count

I. Recommendation

Alternative 1: Provide $1.8 million to bring Plant Operations inmate pay in line with CalPIA and IWL.

General Pay Scale Table

Pay Rate Table							
Title	Pay Grade	Hourly Pay Rates			Monthly Pay Rates		
		Low	Medium	High	Low	Medium	High
Lead person Level I DOT 9	1	$0.32	$0.35	$0.37	$48	$53	$56
Special Skill Level 2 DOT 7-8	2	$0.19	$0.26	$0.32	$29	$39	$48
Technician Level 3 DOT 5-6	3	$0.15	$0.20	$0.24	$23	$30	$36
Semi-Skill Level 4 DOT 3-4	4	$0.11	$0.15	$0.18	$17	$23	$27
Laborer Level 5 DOT 1-2	5	$0.08	$0.11	$0.13	$12	$17	$20

Exceptional Pay Scale Table – For inmates assigned to SAP as Mentor

Offender Mentor Certification Program (OMCP) Inmate Rates	
Pay Level	Hourly Pay Rate
1	$.45
2	$.65
3	$.85

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Exceptional PAY SCALE TABLE for Inmates assigned to Fire Camp

Grade	Per Day
Grade I	$1.45
Grade II	$1.67
Grade III	$1.95
Grade IV	$2.56
Grade V	$3.90

Exceptional Pay Scale Table– for Inmates assigned to PIA or IWL

PIA AND IWL (INMATE WARD LABOR) PAY TABLE			
Hourly Pay Rate Schedule			
Title	Step I	Step II	Step III
Lead Person (AA)	$.80	$.90	$1.00
Special Skills (A)	$.70	$.75	$.80
Technician (B)	$.60	$.65	$.70
Semi Skill (C)	$.50	$.55	$.60
Laborer (D)	$.35	$.40	$.45

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Plant Operations Inmate Assignment Count

Plant Operations Positions	Total Number of Plant Operations Positions
Level 1 Leadperson	189
Level 2 Special Skills	992
Level 3 Technician	389
Level 4 Semi-Skilled	606
Level 5 Laborer	357
No Pay	301
Total	**2,834**

Mid-Step Salary Comparison

CDCR Mid Step Range (Per Hour)	IWL/PIA Equivalent Range (Per Hour)	Pay Increase	Statewide Cost (Full Year)
$ 0.35	$ 0.90	$ 0.55	$ 170,270
$ 0.26	$ 0.75	$ 0.49	$ 796,199
$ 0.20	$ 0.65	$ 0.45	$ 286,732
$ 0.15	$ 0.55	$ 0.40	$ 397,051
$ 0.11	$ 0.40	$ 0.29	$ 169,582
$ -	$ 0.40	$ -	$ -
Projected Cost			**$ 1,819,834**

Assumptions

6.5 hours per day x 21 days = 136.5 hours per month