December 22, 2021

Keely Martin Bosler, Director
California Department of Finance
915 L Street
Sacramento, CA 95814

Dear Director Keely Martin Bosler,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Corrections and Rehabilitation submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact Jana Sanford-Miller, Chief Risk Officer, at (916) 255-2356, Jana.Sanford-Miller@cdcr.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The California Department of Corrections and Rehabilitation (CDCR) operates California's incarceration system for the state's most serious adult offenders. In total, CDCR oversees approximately 156,000 adult offenders and parolees. The CDCR accomplishes its mission with over 43,000 employees and a 2021-22 fiscal year budget of approximately $13.6 billion.

The mission of CDCR is to facilitate the successful reintegration of the individuals in our care back to their communities equipped with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, rehabilitative, and restorative justice programs, all in a safe and humane environment. Critical business functions are carried out by the Division of Adult Institutions (DAI), Division of Adult Parole Operations (DAPO), Division of Rehabilitative Programs (DRP), Board of Parole Hearings (BPH), Council on Criminal Justice and Behavioral Health (CCJBH), and the California Correctional Health Care Services (CCHCS). In addition, CDCR has various support divisions which provide essential services, such as budgeting, accounting, human resources, facilities management, information technology, and legal services.

The goals of CDCR are twofold and encompass:

Organizational Goals:

- Workforce Excellence: Ensure a well-trained, high quality workforce.
- Technology: Develop an information technology strategy and implement systems capable of managing both current needs and anticipated growth.
- Risk Management/Organizational Effectiveness: Achieve organizational excellence in our operations and systems.
- Legal Compliance: Develop preventive strategies to preclude class action suits and remedy identified violations.

Programmatic Goals:

- Crime Prevention and Safety: Develop a comprehensive crime prevention program and establish evidence-based research to determine the impact of offender programs within the institutions and community to reduce criminality and victimization.
- Outreach, Partnerships, and Transparency: Seek out partnerships and develop meaningful programs and processes to promote shared responsibility for community safety.
- Health Care Delivery: Ensure an organization design and accompanying systems to provide efficient delivery of quality health care.

CDCR's operations are built upon the following core values:

- Service: We serve and are responsible to the public. We value their trust and invite their involvement.
- Leadership: We serve as positive role models and foster an environment that supports a balance between professional development, professional job performance, and personal wellness.
- Integrity: We conduct ourselves professionally through fair, honest, and ethical behavior. We have the courage to do what is right, even in the face of adversity.
- Accountability: We accept responsibility for our actions and decisions as well as their consequences.
- Respect: We respect each other's differences and treat others with courtesy, dignity, and consideration.
- Trust: We are people of character. We keep our word and honor our commitments.
- Collaboration: We work with our stakeholders as partners to support mutual understanding of ideas and open exploration of our differences.

In partnership with CDCR, CCHCS operates under the direction of a United States District Court, Northern District of California (court) appointed Receiver. In 2006, the Receiver took control of CDCR's prison medical care and will retain control until the court finds that the State can maintain a constitutionally adequate prison medical care system. In January 2008, the Receiver submitted a "Turnaround Plan of Action" (Plan of Action) designed to effectuate the restructuring and development of a constitutionally adequate medical health care delivery system. The Plan of Action was approved by the court. The Receiver filed a report on March 10, 2015, titled "Receiver's Special Report: Improvements in the Quality of California's Prison Medical Care System", wherein he outlined the significant programs in improving the delivery of medical care in California's prisons and also the remaining significant gaps and failures that must still be addressed. The identified gaps are availability and usability of health information, scheduling and access to care, care management, and health care infrastructure at facilities.

CCHCS is required to maintain a standardized governance structure, driven by its Governing Body that consists of multidisciplinary leadership teams at headquarters and institutions. The mission of CCHCS is to reduce avoidable morbidity and mortality and protect public health by providing patients timely access to safe, effective, and efficient medical are; and integrating the delivery of medical care with mental health, dental, and disability programs.

Control Environment

CDCR has specific regulations, policies, and a code of conduct for employees to follow which ensures the mission and goals of CDCR are met. It is the responsibility of management and supervisors to ensure each employee, regardless of classification, understands these expectations and to hold each employee individually accountable. Managers are expected to ensure that all employees under their supervision attend all required training and that employees are being provided timely probationary and annual performance evaluations. This allows for employees to be provided every opportunity to comply with the rules of CDCR.

The Division of Correctional Policy Research and Internal Oversight (CPRIO) is the monitoring arm of CDCR and includes the following:

•   The Office of Appeals (OOA) helps to ensure the administrative remedies process for inmate complaints is accessible, responsive, and meaningful. This process affords adult inmates and parolees an opportunity to address complaints directly to high-ranking officials. The OOA is responsible for reviewing statewide compliance with the regulatory framework for administrative remedies and providing statewide guidance and training to staff involved in the process.

•   The Office of Audits and Court Compliance (OACC) provides an independent assessment on the adequacy and effectiveness of governance and control processes; and assists CDCR in complying with court-ordered remedial plans. Further, OACC enforces accountability through the tracking and monitoring of corrective action plans.

•   The Office of Civil Rights (OCR) is responsible for ensuring Equal Employment Opportunity (EEO) exists for all applicants and CDCR employees, and to promote a professional work environment free from discrimination, harassment, and retaliation.

•   The Office of Correctional Safety (OCS) protects the public and serves the CDCR investigative and security interests. OCS functions include, but are not limited to, major criminal investigations and prosecutions. The OCS also identifies and conducts trend and link analyses between criminal suspects and criminal enterprise organizations operating within California's correctional systems.

•   The Office of Internal Affairs (OIA) investigates allegations of employee misconduct, including criminal investigations, administrative investigations, and retaliation investigations. The Centralized Screening Team is housed within OIA and provides hiring authorities an independent review of allegations of staff misconduct.

•   The Office of Research (OR) is responsible for producing a variety of reports, including projections of adult, parole, and juvenile populations; statistical summaries of CDCR populations, recidivism, and performance metrics. OR manages the early alert process, which notifies hiring authorities of potentially problematic areas so that intercessory actions can be taken. OR also facilitates external research requests and provides research-based information and data to CDCR administrators and correctional stakeholders.

•   The Peace Officer Selection and Employee Development (POSED) is responsible for law enforcement recruitment, high quality training programs, and development opportunities for CDCR employees. POSED duties include, but are not limited to, ensuring individuals are eligible to become CDCR peace officers and ensuring CDCR complies with departmental and statutory training mandates.

CCHCS is responsible for developing, implementing, and validating the health care systems within the

State's correctional facilities to ensure patients receive constitutionally adequate medical care. CCHCS has specific health care regulations, administrative policies, and all CCHCS employees are required to follow the CDCR code of conduct policies. All CCHCS management is responsible for monitoring and oversight of their employees and programs to ensure compliance and to ensure that goals and objectives are being met.

Key CCHCS monitoring and oversight activities are conducted by OIA, and the following:

- Health Care Correspondence and Appeals Branch is responsible for oversight and management of the statewide health care grievances and the patient health care inquiry process.
- Internal Audit Program uses a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes of CCHCS.
- Risk Management Branch partners with stakeholders to develop health care regulations and operating standards and facilitates the evaluation and monitoring of health care programs.
- Quality Management Program supports continuous evaluation and change in order to improve patient outcomes, cost effectiveness, and efficiencies; and support the delivery of safe patient care.

Information and Communication

CDCR Cabinet includes high-ranking executives and meets weekly to discuss relevant issues and associated actions taken. CDCR undersecretaries meet quarterly to discuss internal and external audits and subsequent corrective action plans, as well as progress made in mitigating CDCR's highest risks. As applicable, decisions and concerns are communicated to the CDCR secretary. Hiring authorities and their managerial staff conduct regular meetings to address day-to-day operations. The Office of Public and Employee Communications (OPEC) facilitates information flow to all staff members.

Information and communication necessary to achieve CCHCS objectives is communicated at all levels of management. Management and subordinates have individual meetings, staff meetings, and other programmatic meetings, as necessary. Information is shared with Deputy Directors and Directors, as appropriate. At least weekly, all Deputy Directors and Director level staff meet at a leadership meeting where information is shared, as appropriate. CCHCS also hosts various conferences with management from institutions to share appropriate information necessary to achieve statewide and local objectives. Staff communication can involve memos, policies, procedures, and regulations sent to all staff or through program postings on Lifeline, such as Pharmacy and Therapeutics memos, which provides an archive of program information.

CDCR has multiple avenues it uses to share information with external stakeholders. CDCR stakeholders include law enforcement agencies, community-based organizations, formerly incarcerated people, and families impacted by the criminal justice system, among others. The OPEC, Office of External Affairs provides updates on CDCR policy and regulation changes to all stakeholders via email, conference calls, and in-person meetings. The team attends weekly CDCR Cabinet meetings and communicates regularly with CDCR divisions and workgroups to stay informed of programs and initiatives, and coordinates stakeholder outreach accordingly. CDCR leadership attend quarterly board meetings of every major law enforcement organization in California.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Department of Corrections and Rehabilitation monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Jana Sanford-Miller, Chief Risk Officer; Chris Chambers, Deputy Director, Office of Research; and DeAnna Gouldy, Deputy Director, Policy and Risk Management Branch.

Directors from all CDCR program areas meet regularly with their managerial teams and monitor various operational and programmatic areas in an effort to achieve the goals of CDCR. Internal control deficiencies identified in the SLAA report will be monitored by the executive leadership team through an established governance process. Other internal control deficiencies, outside of SLAA reported areas, will be addressed through separate corrective action plans via existing CDCR processes. These corrective action plans are reviewed by the CDCR secretary and the appropriate program director. CDCR typically receives numerous external and internal reviews each year.

CCHCS risks and control activities identified in the SLAA report are monitored by the CCHCS executive leadership team. Additionally, internal control deficiencies requiring corrective action are found as a result of internal or external audits, risk assessments, and reviews are tracked and monitored by management and CCHCS's Internal Audit Program.

The Receiver's Tri-Annual Report is filed three times per year, reflecting the status of compliance with the Plan of Action, remaining gap items, and specific programmatic status. Health care performance is monitored through the Performance Improvement Plan (PIP) process, where leadership considers the direction of quality improvement efforts and selects highest priority processes, patient populations, and resources to monitor and improve, which are reported in a biennial plan. The PIP's specific performance objectives are monitored for the duration of the plan in the monthly CCHCS Dashboard.

CPRIO created an enterprise risk management program within OR to evaluate, develop, and implement policies, procedures, and projects as they relate to risk management. This unit's responsibilities include, but are not limited to, designing, developing, and maintaining CDCR's early warning risk identification system, which includes compiling and analyzing information and data. This unit has developed key risk and performance indicators to better understand and manage enterprise risks, with careful emphasis in the area of staff misconduct.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Corrections and Rehabilitation risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/ goals/objectives, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Outdated Case Management System (CMS) Data System

The Office of Internal Affairs (OIA) is currently using an outdated Case Management System (CMS) for investigations of staff misconduct, as well as an Allegation Inquiry Management System (AIMS) database to manage investigative inquiries as requested by hiring authorities. Continued utilization of those separate databases will not be able to support the expanding staff misconduct investigations OIA will be conducting in the coming year, due to changes in the regulations and the courts.

> **Control: A**
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> OIA will collaborate with EIS to launch an updated CMS system that can support the newly mandated documentation and management of investigations.

Risk: Fleet Assets

CDCR maintains a fleet of nearly 8,800 vehicles and other fleet assets. The fleet includes vehicles for emergency and routine medical transportation, fire protection, monitoring and apprehending parolees, supporting construction activities, providing institution perimeter security, and a variety of other operational needs. CDCR identified 1,756 fleet assets (19.95% of total) deemed as being in the "high" priority category for replacement. These assets are found to be old, have high mileage, and are in very poor mechanical or physical condition. CDCR is at risk of unnecessary costs and jeopardizing the safety of employees and inmates if there isn't an appropriate number of operational vehicles. Lack of adequate funding prevents CDCR from replacing assets as they become high priority and/or eligible for replacement.

Without regular, adequate funding, CDCR is unable to replace aging assets that may be in poor condition and have high mileage. Obsolete assets meeting or exceeding the DGS' recommended thresholds for replacement present a risk to CDCR's ability to perform mission-critical functions, potentially jeopardizing the health and safety of employees, inmates, and the public. If this critical risk is unaddressed it will severely impact CDCR's ability to provide inmates access to health care and court ordered appearances. CDCR currently has a total of 5,142 assets with an estimated value of approximately $271M that meet defined replacement thresholds. Management Memo (MM) 20-04, adds medium and heavy duty Zero Emission Vehicles (ZEV) to the already existing light duty ZEV requirements. MM 20-04, in FY 2021/22 requires 35% of assets purchased to be ZEV, increasing 5% each year to 50% in FY 2024/25. The cost of medium and heavy duty ZEV assets are 156-376% higher than their non-ZEV options. Medium and heavy duty assets also require a more robust charging infrastructure than CDCR's limited light duty charging infrastructure further increasing costs to the Department.

> **Control: A**
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> CDCR's Office of Business Services completes an annual inventory of fleet assets and conducts a replacement analysis, based on factors such as mileage, age, condition, function, and type of vehicle. The analysis results in a replacement priority of high, medium, or low. This activity only reduces the risk if CDCR has funding available to replace fleet assets. However, CDCR has limited resources available to replace vehicles that have exceeded their life span; therefore, a long-term

sustainable solution is required. MM 20-04 will further limit the number of assets CDCR will be able to replace with its available funding. The CDCR will replace the highest priority assets with available funding, temporarily reducing the number of assets in the highest priority category.

Risk: Contraband Interdiction

CDCR has long recognized the ongoing epidemic of illegal drug use, trafficking, and contraband within its institutions. Persons entering CDCR institutions sometimes employ extraordinary means to smuggle drugs and contraband into the institutions, including secreting drugs and contraband in hidden pockets in clothing or in body cavities. The importing, trafficking, and use of drugs and contraband pose many problems in an institutional setting, including an increase in inmate violence, power struggles within the inmate population, establishment of an underground economy, inmate overdoses, and staff corruption.

Control: A

CDCR reactivated Managed Access System (MAS) at 18 institutions that will allow calls from approved phone numbers while blocking calls to and from devices or numbers that are not approved. In addition, the system is able to capture 'unique identifiers' of a contraband cell phone to assist staff in gathering the required information to deactivate contraband cell phones illegally operated within our prisons.

Control: B

Entrance area detection devices (MMW and B/P) are effective at assisting the Contraband Interdiction Program (CIP) contraband discovery screening process. B/P x-ray devices are also helpful in mailroom screening.

Control: C

Canine teams are helpful in both controlled and uncontrolled drop conditions and are a valuable interdiction strategy within the institution and near the perimeter fence. The value of canine teams in contraband discovery within the institution is evident in the data analysis.

Control: D

Digital innovation, and prospective contraband interdiction strategies could reduce the contraband introduction threat vector for institutions by decreasing the numbers of mail items introduced inside the institution. Suspicious mail could simply be sent on to the inmate digitally and the physical mail returned to the sender or disposed of appropriately.

Risk: Suicide Prevention

CDCR recognizes how critical suicide prevention efforts are for protecting the individuals assigned to our institutions and strives to maintain a comprehensive and data-informed suicide prevention program. The CDCR has implemented numerous initiatives to prevent suicide, developed through both internal and external stakeholders and through collaborative projects, such as the suicide prevention workgroup facilitated by the Office of the Special Master (OSM).

Thirty-four inmate suicides were reported within CDCR in 2018: the fourth consecutive year of increase in the number of inmate suicides. In 2018 there were 34 suicides, which at the time was reported as the highest frequency of suicides in the department since 2012. However, in 2019 there were 38 suicides reported, and 31 reported in 2020. Suicide rates are rising in the community and in the other state prison systems, underlining both the current concern and challenges posed in preventing suicides and the need to continue working on solutions.

Control: A

CDCR will continue to improve upon it's suicide prevention strategies to include the completion and accuracy of suicide risk evaluations (SRASHE), the completion of timely and appropriate treatment plans for patients in crisis, ensuring staff training in suicide prevention and response is completed by all staff members, adopting and monitoring recommendations made by the OSM, reducing risk factors in CDCR associated with suicide, and enhancing a system of notifications to next of kin loved ones in the event of self-inflicted harm.

Risk: Decline of Conservation Camps Population

With the consistent change in laws such as AB109, Props 47 and 57, there has been a decline in offenders that meet criteria to be placed in a CDCR camp. These offenders generally only stay in county jails, or not incarcerated at all.

In recent years, California has seen an increase in fires causing extreme damage to life and property. CDCR's inmate fire hours in 2019 totaled approximately 1,513,115; 2020 totaled 2,632,622; and 2021 totaled 1,958,712.

CDCR is at risk of closing camps which could result in fires burning longer and potentially highly destructive to life and property. There would also likely be negative media attention for both CDCR and CAL FIRE. Due to the rising destructiveness of fires in recent years, the Governor has ordered more fuels reduction crews, of which the camps fire participants make up the integral crews utilized for that purpose. Currently, there are 45 identified top priority projects in the State that would have a direct community benefit in the event of a catastrophic wildfire.

Control: A

DAI could potentially add more inmates to CDCR's fire camps program and will explore that possibility.

Risk: Equal Access for Disabled Populations

CDCR's disabled inmate population requiring accommodations continues to rise, which is impacting the ability to appropriately accommodate within the current infrastructure and to ensure equal access to programs, services, and activities within aging facilities not designed to meet current American with Disabilities Act (ADA) requirements, and allow for the provisions of court mandated standards. Additionally, staffing and staff training to provide necessary accommodations has not kept up with the increasing population.

Shortages of accessible housing and equal access to programs, services and activities for increasing

inmate populations with disabilities is creating liability for CDCR in meeting Federal and State ADA requirements. CDCR has an obligation under the law in providing the accommodations and support of these populations. Denying equal access to disabled populations can increase litigation costs and ability to meet Court Ordered Mandates under Armstrong v Newsom, Clark v Newsom and Coleman v Newsom.

Control: A

In 2012, CDCR initiated a Master Plan to address accessible housing needs and access to programs, services and activities. Funding will be submitted via formal budget processes, which is necessary to complete additional design and construction to meet the ongoing needs.

Control: B

CDCR will provide multidisciplinary staff training for accommodation of disabled populations.

Control: C

CDCR will conduct population projections based upon disability code in order to provide for more accurate population management and staffing needs.

Risk: Critical Infrastructure Systems

CDCR has an aging infrastructure at its adult institutions. As noted, many infrastructure systems supporting operations at CDCR adult prisons are in disrepair and require significant improvements. These systems include roofs, water, wastewater, electrical, and other infrastructure systems.

Most infrastructure systems consist of original equipment that was installed when the prison was constructed, operated at high levels of service prior to public safety realignment in 2011, and/or were not properly maintained due to staffing vacancies and limited maintenance funding prior to 2019.

Control: A

In January 2022, CDCR is expected to provide a report to the Legislature identifying and prioritizing special repair, deferred maintenance, and capital outlay projects estimated to cost over $5 million that is anticipated to be needed within the next 10 years. The report will assist with prioritization of funding and resources for infrastructure repairs.

Control: B

CDCR will design and replace roofs pursuant to funding provided in the annual Budget Act. Prisons performing roof replacement activities during 2022 and 2023 will include Calipatria (CAL), Central California Women's Facility (CCWF), Corcoran (COR), High Desert State Prison (HDSP), California State Prison Sacramento (SAC), Substance Abuse Treatment Facility (SATF), Solano (SOL) and Salinas Valley State Prison (SVSP).

Risk: Case Records – Release Date Calculations

Accurately programming automated release date calculations is challenging because of the

complexities of sentence calculation. After the introduction of multiple new business rules to support Proposition 57, the Strategic Offender Management System (SOMS) sentence calculation module has become fragile. The current generated release dates have to be validated with manual calculations. This resulted in a need to program new business rules into Calc-IT which was implemented on 5/1/2021. It was discovered shortly after implementation, the cut-over process from the SOMS calculator to Calc-IT did not work as planned.

The SOMS team is currently working on a Rules Based Engine that will be used to calculate offender release dates. Release date calculations must be accurate to avoid release of inmates prior to serving their full term, or holding inmates past their release dates, which could result in legal ramifications and public safety concerns.

Control: A

The programming of the Rules Based Engine "InRule" is currently under way and is proving to calculate offender release dates correctly and is also proving to show that new rules or rule modifications are easy to make and apply to the overall sentence calculation. The current goal is to have this new tool performing all sentence calculations in the next few months. We will continue to work manual calculations of release dates until this new solution has been put into production.

Risk: Information Security Office – Data Security

CCHCS and EIS have inadequate compensating controls in place to ensure confidentiality, integrity, and availability of critical information assets could impact their data security and negatively affect healthcare provisioning and critical service delivery.

Control: A

CDCR has implemented multiple compensating controls to mitigate this finding to an acceptable level. The CDCR has disabled cached credentials on servers; implemented enhanced enterprise password and user authentication control policies; and expanded a phishing resiliency program to better inform end users. Although CDCR has implemented these compensating controls, EIS will need to continue monitoring until an acceptable level of mitigation has been reached.

Control: B

CDCR enhanced enterprise password policy to mandate minimum 15 character passwords. EIS will need to continue monitoring to determine if any security breaches have been detected after the implementation of the enhanced password policy.

Risk: Development of an Early Warning System

OR has been tasked with the development of an early warning system, as requested by legal mandate. CDCR continues to be the subject to litigation surrounding treatment of inmates and external stakeholders continue to be critical of operational policies and procedures in addressing staff misconduct and identifying problematic issues in a timely fashion. If OR cannot provide an early warning system that meets the requirements set forth by the courts, CDCR will continue to be vulnerable to litigation and negative reporting by external stakeholders, which will diminish public

confidence.

Control: A

The OR is actively working with internal and external stakeholders to develop an early warning system that meets the court mandates and addresses concerns raised by plaintiff counsel.

Risk: Outdated Emergency Plans

Existing CDCR emergency planning documents were prepared in 2012 by a private contractor by way of a grant. The OCS is in need of an update to CDCR's Continuity of Operations/Continuity of Government (COOP/COG) Plan, the Department's All- Hazards Emergency Operations Plan (EOP) to include the Pandemic Influenza Plan, and the Public Safety Power Shut-Off (PSPS) response.

Relying on outdated plans and strategies to manage emergencies throughout the State's critical infrastructure can result in mishandling of our response to large and small scale events, and potentially create a safety risk for CDCR. In May 2020, OCS applied for a Homeland Security Grant to address this risk but the application review process was delayed due to COVID-19. On October 29, 2021, CDCR was informed that we were awarded the $250,000 grant; however, the timelines will be challenging due to the 8 month timeframe allotted to complete the project.

Control: A

Using existing staff, OCS is attempting to update CDCR's All Hazards Plan. Since CDCR didn't receive the grant award notification until October 29, 2021 and with relatively abbreviated timeframes given by CalOES to complete the project, every effort will be made to meet the first milestone of soliciting bids. In addition, OCS is working with POSED to develop a comprehensive training plan that will provide all CDCR staff with fundamental emergency management training.

Risk: Succession / Workforce Planning

CDCR and CCHCS are at risk of losing institutional knowledge because of the high number of staff who are eligible for retirement within the next few years, especially in key leadership positions. Furthermore, new staff may not have sufficient knowledge to perform at the same level of their retiring predecessors. CDCR employs over 1/3 of the state's workforce and the data indicates that nearly 75% of CDCR supervisory, managerial, and exempt classifications will be at or reaching retirement age in the next ten years. Further, approximately 70% of those staff will be at or reach retirement age in the next five years. CDCR Division of Rehabilitative Programs (DRP) continues to struggle with filling custody staff and career technical program vacancies. If DRP cannot ensure that career technical vacancies can be filled, program delivery will not occur or classroom ratios will be impacted, which may negatively impact program delivery and recidivism. Ineffective utilization of programming based upon a risk/needs prioritization creates the potential to not fully achieve the maximum benefit for programming (both fiscally and in recidivism reduction). CCHCS' workforce includes many highly skilled professionals, including physicians, psychiatrists, nurses, and highly technical administrative staff working on complex workloads. Many of these civil service classifications are unique and add a layer of complexity to knowledge transfer and workforce succession planning efforts. Private sector compensation trends and innovative workforce solutions outpace those that CCHCS can provide its employee population. The impact of COVID-19 and the rise of teleworking and telehealth solutions adds additional challenges to

the field of recruiting and retaining a high-caliber work force. Vacant positions create additional demands on current staff and impact quality of care delivered to the patient population. Insufficient succession planning can result in loss of valuable knowledge and expertise from skilled and specialized staff, an increase in overtime costs, and overall staff wellness. Impact on ability to run institution programs. Additionally, this will impact our ability to meet court mandated staffing levels and meet licensing requirements in our inpatient units.

Control: A

CDCR will improve tracking procedures of developing talent pool and increase program engagement and promotion by executive leadership.

Control: B

DRP currently tracks career technical vacancies monthly and DRP Headquarters personnel is engaging in a semi-monthly call identifying those institutions with vacancy issues and troubleshooting and engaging in the hiring process to assist. DRP is continuing work to engage in local hiring forums in an effort to get interest in academic and career technical vacancies filled. DRP has created a comprehensive dataset that is updated and reviewed monthly that requires input from the career technical field on progress toward hiring/staffing goals and obstacles.

Control: C

CCHCS will continue in its workforce assessment and planning efforts with increased focus on strategic support. Efforts include close collaboration with programs to project workforce needs to mitigate impact, increased recruitment and retention initiatives, and requests for strategic workforce solutions. This will be supported by continuous succession management efforts and organizational assessments.

Risk: Custody Staff Shortages

Between Fiscal Year 2019/2020 and 2020/2021, CDCR has experienced a 38% decline in applications to fill correctional officer (CO) vacancies statewide. Several factors contributing to the decline in applications are COVID-19 pandemic, economy, generational perspectives, increasingly negative perception of law enforcement, media scrutiny, and the change in retirement benefits. A similar trend has been experienced by law enforcement agencies nationwide. Additionally, the department's data indicates that nearly 75% of supervisory, managerial, and exempt classifications will be at or reaching retirement age in the next ten years. Furthermore, approximately 70% of those staff will be at or reach retirement age in the next five years.

If CDCR is unable to fill current and future CO vacancies statewide, it would create significant overtime costs, depleting staff resources, developing into increased staff fatigue, injury, illness, sick leave usage, and workers compensation claims. Additionally, it would impact CDCR's ability to operate institution programs based on the low staffing levels.

Control: A

POSED will increase recruitment and marketing efforts statewide that includes securing a

marketing vendor for social media ads, programmatic marketing, and other advertising efforts; develop partnerships to share career opportunities with diverse population (i.e. community colleges, etc.) and monitor, report, and adjust efforts based on application intake.

CONCLUSION

The Department of Corrections and Rehabilitation strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

No additional comments.

Kathleen Allison, Secretary

CC: California Legislature [Senate (2), Assembly (1)]
     California State Auditor
     California State Library
     California State Controller
     Director of California Department of Finance
     Secretary of California Government Operations Agency