IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

MARCIANO PLATA , et al.,

Plaintiffs

v.

ARNOLD SCHWARZENEGGER, et al.,

Defendants,

NO. C01-1351-T.E.H.

RECEIVER'S THIRD BI-MONTHLY REPORT

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I.

INTRODUCTION

The Order Appointing Receiver ("Order") filed February 14, 2006 requires that the Receiver file his "Plan of Action" within 180-210 days. In the interim, the Order calls for the Receiver to undertake "immediate and/or short term measures designed to improve medical care and begin the development of a constitutionally adequate medical health care delivery system." Order at page 2-3. In addition, pursuant to page 3, lines 16-22 of the Order, the Receiver must file status reports with the Court on a bi-monthly basis concerning the following issues:

A. All tasks and metrics contained in the Plan and subsequent reports, with degree of completion and date of anticipated completion of each task and metric.

B. Particular problems being faced by the Receiver, including any specific obstacles presented by institutions or individuals.

C. Particular success achieved by the Receiver.

D. An accounting of expenditures for the reporting period.

E. Other matters deemed appropriate for judicial review.

This is the Receiver's Third Bi-Monthly Report. He addresses herein issues B though E.[1] Before discussing problems, successes, accounting and other matters deemed appropriate for judicial review, the Receiver believes it important to place the activities of his Office during the months of September, October, and November 2006 into context. Therefore, in addition to discussing the issues required by the Order, the Receiver will speak to five additional issues of importance: (a) the fiscal savings for California taxpayers that will be obtained by the Receiver's plan to establish a high quality *nurse driven* medical delivery system in California's prisons; (b) the relationship between the State of California's efforts to manage overcrowding and the *Plata* remedial process, (c) the Receiver's decision to assume direct management over clinical

[1] On November 13, 2006, the Receiver filed a Motion for Extension of Time to File Plan of Action ("Motion for Extension of Time"), requesting an additional 180 days to file a remedial Plan of Action. Given that the Plan is not yet prepared, there will be no status report concerning this issue in this report. As noted in the Motion, however, the Receiver will commence reporting to the Court concerning his progress to develop a formalized Plan of Action and establish matrixes in his next Bi-Monthly Report. He will continue this reporting until the Plan of Action is filed with the Court on May 15, 2007.

functions and certain administrative functions of the CDCR medical care delivery system, (d) the resulting increase of staff in the Office of the Receiver, and (e) on-going efforts to establish the Office of the Receiver.

II.

TAXPAYER SAVINGS OBTAINED BY THE RECEIVER'S PLAN TO ESTABLISH A HIGH QUALITY *NURSE DRIVEN* MEDICAL DELIVERY SYSTEM IN CALIFORNIA'S PRISONS

A. Introduction.

The Receiver previously reported to the Court concerning his efforts to bring under control the millions of dollars being wasted by the CDCR's medical care delivery system. For example, as explained below, the Receiver has taken steps to contract with the Maxor Corporation to temporarily manage a dysfunctional CDCR prison pharmacy system which wastes, on an annual basis, approximately *46 to 80 million dollars*.[2]

The Receiver has concluded, however, that poor management practices are not the only source of CDCR waste. Just as serious is the fact that the prison medical delivery system has, in the past, focused its staffing program on the use of Medical Technical Assistants (a classification of employee which consists of Licensed Vocational Nurses ("LVNs") who are also classified and compensated as Peace Officers, and physicians. In essence, this focus has created a physician driven care system. A more fiscally responsible medical delivery system, consistent with the free community, must focus upon a Registered Nurse ("RN") driven program that utilizes a wide range of clinical providers including: (1) Board Certified Physicians; (2) mid-level providers (Nurse Practitioners and Physician Assistants); (3) RNs; (4) LVNs; (5) certified nurse assistants and other classes of patient care attendants; and (6) the appropriate number and levels of non-clinical administrative support staff.

As explained in the Motion for Extension of Time:

> In functional systems, nurses are the glue that binds the components of patient care on a "24/7" basis. Nurses maintain the focus on patient-centered performance, they assure continuity of care, and they provide system oversight.

[2] *See, First Bi-Monthly Report* at 11:16 - 17.

> Change in CDCR medical care will involve redefinition of all provider roles and responsibilities. Each provider classification will work within the appropriate scope of practice, licensure and/or certification. It must be clearly understood, however, that we are in the process of converting to a nurse-driven system of care. Nurses are, or will be, the care givers in closest and most continual touch with patients and will be charged with lead responsibility for assuring appropriate access to safe care for the inmate population. The Office of the Receiver will provide the nursing infrastructure, environment, and professional development necessary for success in these new responsibilities and roles. It will also provide initial and ongoing training, education and other support as needed by nurses and nurse managers. The "ramp-up" time for this project will be significant.

Motion for Extension of Time at 14 - 15.

B. The Receiver's Decision to Remove the MTA Classification From California's Prison Medical Delivery System.

One of the Receiver's initial steps towards an overall plan for an RN driven medical delivery system involved his decision to eliminate the MTA classification in the CDCR. The CDCR's utilization of a joint clinical/peace officer classification, a form of nurse/police officer that is not used in any other prison system in the United States, has created an environment of unnecessary tension among nursing clinicians in California's prisons, as well as unworkable and overly complex lines of authority. In terms of actual practice, the MTA classification is simply not conducive to the level of quality medical delivery that will be necessary to put the CDCR medical delivery system on the road toward constitutional levels of care.

In making the decision, the Receiver emphasizes that he is not critical of the nursing care provided by many MTAs. The problem is systemic and not necessarily bad employees. Indeed, as the classification is eliminated MTAs will be offered an opportunity to either: (1) transfer to vacant correctional officer positions or (2) remain in the prison health care delivery system as LVNs or, when appropriate, RNs.

C. Cost Savings Associated with the MTA/LVN Conversion.

After considerable effort, the Office of the Receiver has both created a new classification of LVNs for CDCR duty and established a new and appropriately competitive salary range for prison LVNs. At present, the Office of the Receiver is also providing oversight for the CDCR's statewide LVN recruitment program and as LVNs are hired and trained at thirty-three prisons, MTAs will be released from duty and provided the opportunity to continue their CDCR

employment as correctional officers or clinicians in the LVN or other appropriate nursing classification.[3]

The potential CDCR expenditure reduction that will result from the MTA to LVN conversion is significant. The CDCR estimates that the difference between what is budgeted for MTA salaries and benefits compared to what it is projected for LVN salaries and benefits (assuming all positions are filled) will result, for the first year alone, in an annual salary/benefit savings to the taxpayer of *more than $39,000,000.00.* [4]

D. Summary.

Given the crisis state of the medical delivery system in California's prisons, the remedial process will require policy changes and medical bed construction that will lead to increased State expenditures. On the other hand, many of the Receiver's changes to the medical care delivery system will result in significant savings, as described above. In addition, improved management practices and the establishment of appropriate fiscal controls will also save millions of dollars in taxpayer resources. The MTA/LVN conversion represents just one example of how the Receivership will generate large scale reductions in the cost of prison medical care.

III.

THE RELATIONSHIP BETWEEN THE STATE OF CALIFORNIA'S EFFORTS TO MANAGE OVERCROWDING AND THE *PLATA* REMEDIAL PROCESS

A. Introduction.

In response to prison overcrowding, the State of California ("State") commenced a program to send 2,200 inmates to private prisons across the country. On November 3, 2006, the first 80 inmates to be transferred out-of-state boarded a plane for West Tennessee Detention

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[3] For example, a small percentage of MTAs have a RN license. These MTAs will be offered the opportunity to remain in the medical care delivery system as an RN.

[4] Exhibit 1 describes the methodology utilized by CDCR to estimate this differential. Exhibit 2 sets forth the overall savings. The total of $39,350,659 was developed by subtracting from the savings achieved by converting to non-peace officers LVNs ($40,455,339.00) (Exhibit 3) the smaller increase in salaries necessitated by a simultaneous conversion of Supervising MTAs to Supervising Registered Nurse IIs (+$1,085,575)(Exhibit 4) and the conversion of Health Program Administrators to Supervising Registered Nurse IIs (+$19,105.00) (Exhibit 5).

Facility in Mason, operated by a Nashville-based company, Correctional Corporation of America. The prisoners to be transferred were selected from prisons throughout California and each agreed to the transfer. The State's decision presented a two-fold challenge to the Office of the Receiver: (1) the need to work cooperatively with CDCR officials to effectuate the out-of-state transfer and, at the same time, (2) the need to ensure that all transferees are medically appropriate for transfer and that adequate medical care will be provided to those prisoners transferred out-of-state.

B. Office of the Receiver's Involvement with Out-of-State Transfers.

To meet the two-fold challenge described above, the Office of the Receiver engaged, on very short notice, in the following activities:

1. John Hagar, the Receiver's Chief of Staff and Jared Goldman, Staff Attorney for the Receiver, conducted a number of meetings with CDCR officials in order to organize a coordinated program to provide the appropriate level of medical screening for all prisoners designated for out-of-state transfers.

2. Jared Goldman worked closely with CDCR attorneys to ensure that the contracts between the State and out-of-state private providers established contractually adequate provisions for medical care for prisoners to be transferred out-of-state.

3. John Hagar and Dr. Terry Hill, the Receiver's Chief Medical Officer, worked closely with CDCR Directors of Nursing Jackie Clark and Jane Robinson to develop a screening tool for out-of-state transfers (including a screening form and screening policies and procedures). *See* e.g. the screening form attached as Exhibit 6.

4. Dr. Hill worked with CDCR officials, Ms. Clark and Ms. Robinson to develop and implement a plan to inspect the medical facilities at each of the out-of-state private prisons that will confine California prisoner/patients, a process which is on-going.

C. The Negative Impact of the State's Program to Manage Overcrowding On The Receiver's Effort to Effectuate Remedial Progress.

The Receiver intends to support efforts by the State to manage prison overcrowding to the fullest degree possible. Concerning the out-of-state transfer decision, the State and Receiver

worked together in a timely and cooperative manner.

While out-of-state transfers were not anticipated when the Order of February 14, 2006 was issued, given the efforts of the Receiver's staff and CDCR nurses, they have not presented an insurmountable barrier. No one, however, should be under the false impression that the out-of-state transfers have not adversely impacted the Receiver's efforts to improve the conditions within California's prisons. The same limited number of competent personnel who met and conferred with CDCR officials, who proposed modifications to State contracts to protect the rights of prisoner patients, who developed and implemented the medical screening process and who are, to this day, inspecting private prisons could have been working on in-state remedial programs.[5] Therefore, while the Receiver has approached the out-of-state transfer process in a cooperative manner, he cannot guarantee that he will, in the future, engage in a large number of such activities that will in effect limit his in-state remedial planning and program implementation.

Furthermore, as noted by the Receiver in the Motion for Extension of Time:

> It must be noted that the out-of-state program is not aimed at, and will not result in, a reduction of California's in-state prison population. Rather, the program will lead to an increased overall prison population by adding 2200 prisoners confined at privately operated out-of-state institutions. In-state beds freed up by the out-of-state transfers are filled immediately by new arrivals into the CDCR. In addition, because steps have been taken to evaluate and prohibit from out-of-state transfers those prisoner patients with medical problems, the out-of-state transfer process results in the concentration of prisoners with medical problems within California.

Motion for Extension of Time at 6: 13-20.

Thus, the State's out-of-state transfer solution to overcrowding will increase the number of prisoner/patients subject to the Court's remedial orders, and will also complicate the remedial work the Office of the Receiver must accomplish to bring California's prison medical system up

[5] Exhibit 7, a memorandum by Director of Nursing Operations Jackie Clark explains how the out-of-state transfer process has cost *thus far* more than 800 hours of irretrievable, extremely valuable time (at a cost of more than $66,000.00) on the part of nurse managers that could have been devoted to improving medical conditions within California's prisons. The Exhibit 3 summary does not include the hours devoted to this effort by the Receiver's Chief of Staff, Staff Attorney, and Medical Director.

to constitutional standards.

IV.

THE RECEIVER'S DECISION TO ASSUME DIRECT MANAGEMENT OVER CERTAIN CLINICAL AND ADMINISTRATIVE ELEMENTS OF THE CDCR MEDICAL CARE DELIVERY

A. Introduction.

In April 2006, when the Receivership began, the decision was made to allow the State to retain direct management over the daily operation of the prison medical delivery system. Near the end of this bi-monthly reporting period, however, the Receiver made the decision to begin to assume direct management over several elements of the CDCR medical delivery system, including direct management of CDCR physician and nursing operations. Numerous factors precipitated this change of management responsibility, including the following:

1. It is increasingly apparent, given existing bureaucratic, political, and fiscal restrictions that no one individual, no matter how talented and dedicated, can manage the CDCR's medical, mental health, and dental programs under the existing state of disrepair.[6]

2. Conflicts between the orders of numerous pending class actions and the human resources needed to comply with those orders (as well as the resulting lack of long range planning and lack of focus) impede the Receiver's efforts to effectuate changes in the prison medical delivery system.

3. Day to day crisis situations have increasingly required time consuming attention from Office of the Receiver personnel; therefore, the assumption of direct management over certain elements of the CDCR's medical delivery system has to some degree already taken place.

4. Many critical medical system programs, including medical contracts processing, recruitment, hiring, and human resource transaction processing have in the past been provided by

[6] In making this finding, the Receiver emphasizes, as he did in the Motion for an Extension, that he is not criticizing the efforts of Peter Farber-Szekrenyi and the dedicated staff of the Division of Correctional Health Services who continue to attempt in good faith to correct intractable problems with inadequate resources.

CDCR divisions other than Division of Correctional Health Care Services ("DCHCS"), resulting on occasion in poor service, inadequate staffing, and a lack of responsiveness to remedial plan requirements. The Receiver is convinced that unless and until the Office of the Receiver assumes direct control over the day to day operation of these critical functions, the remedial programs that he implements will not be effectuated in a timely and cost effective manner.

5. As emphasized in the Motion for an Extension in the section entitled: *Fragmentation and Erosion of Nursing Infrastructure:*

> Problem: Fragmentation characterizes every aspect of the medical care system, and the CDCR has neglected and eroded its nursing infrastructure.
>
> Approach: Recruit nurse change agents into roles throughout the organization and support them in developing nurse-driven care coordination.
>
> Discussion: In functional systems, nurses are the glue that binds the components of patient care on a "24/7" basis. Nurses maintain the focus on patient-centered performance, they assure continuity of care, and they provide system oversight. Change in CDCR medical care will involve redefinition of all provider roles and responsibilities. Each provider classification will work within the appropriate scope of practice, licensure and/or certification. It must be clearly understood, however, that we are in the process of converting to a nurse-driven system of care. Nurses are, or will be, the care givers in closest and most continual touch with patients and will be charged with lead responsibility for assuring appropriate access to safe care for the inmate population. The Office of the Receiver will provide the nursing infrastructure, environment, and professional development necessary for success in these new responsibilities and roles. It will also provide initial and ongoing training, education and other support as needed by nurses and nurse managers. The "ramp-up" time for this project will be significant.

After studying and interacting with DCHCS for six months, the Receiver has concluded that his vision of a nurse driven prison medical delivery system will not be established in practice in a timely and cost effective manner unless he assumes, at least for an interim period, direct control over CDCR nursing functions.

B. Physician Management.

Effective Tuesday November 28, 2006 all CDCR medical care physicians, including Regional Medical Directors and the CDCR State-Wide Medical Director began reporting directly to Dr. Terry Hill, the Receiver's Medical Director.

C. Nurse Management.

On the same date, November 28, 2006 all CDCR nursing employees, including RNs. LVNs, and the Regional Directors of Nursing and Director of Nursing, began reporting directly to the Receiver.

D. The Plata Compliance Unit.

1. *Introduction.*

As emphasized in prior reports, the Receiver encountered many dedicated, hard working CDCR personnel during the first six months of the Receivership. These employees are also prisoners, subject to bureaucratic red tape, State Personnel Board restrictions, political pressures, poor management, and a lack of direction and long term planning which serves to inhibit clear thinking and initiative. The Receiver is convinced that State employees, specifically CDCR employees, can provide high quality innovative service if only they are allowed to work outside the confines of the usual State bureaucracy. The Plata Compliance Unit, established November 13, 2006 provides a workshop for this approach.

2. *Structure of the Plata Compliance Unit.*

The Plata Compliance Unit is a work unit within DCHCS comprised of CDCR employees dedicated to the delivery of prison medical care and who report directly to the Office of the Receiver, not DCHCS management. At present the Unit consists of the following functions which, prior to November 13, 2006, were functions that were performed outside of DCHCS (primarily in the CDCR's Office of Business Services ["OBS"]).

a. Medical Recruitment and Hiring (Katie Hagen);

b. Human Resources Transaction Processing (Kathy Stigall);

c. Medical Staff Investigations and Discipline Tracking and Management (Randy Lucas);

d. Medical Contract Processing (comprised of the Institutional Medical Contracts Section ("IMCS"), formerly a section within OBS). This 34 person section is managed by Susan Lew. The section will, during 2007, evolve into a new Information Technology driven

streamlined contracts unit, as describe in Section IX. A. below. Ms. Lew will also be assigned to manage the new system's "pilot project."

The Receiver is proceeding to recruit and hire a full-time permanent Manager to oversee the expanding Plata Compliance Unit. In the interim, the Unit reports to John Hagar, the Receiver's Chief of Staff, who is assisted concerning the day to day management of the Unit by Linda Buzzini, Staff Attorney for the Receiver, and Steve Weston, Administrative Assistant to the Receiver's Chief of Staff.

V.

INCREASE OF STAFF IN THE OFFICE OF THE RECEIVER

Because of the utterly broken state of CDCR operations the Receiver has decided, as explained above, to assume direct responsibility for the day-to-day operation of numerous elements of the State's prison medical delivery system. This decision will require additional staff in the Office of the Receiver, as duties are modified to encompass both systemic remedial action and the management of daily operations of the prison medical delivery system. While this change over began during October 2006 with the appointments, as explained below, of Mr. Hill, Mr. Meier, and Mr. Weston, the Receiver anticipates significant additions to the Office of the Receiver in the months to come.

The Receiver emphasizes that this decision will also, however, create significant cost savings concerning the operation of DCHCS as duplicative and unnecessary CDCR management positions are eliminated by the Receiver. With the appointment of Rich Wood as the Receiver's Chief Financial Officer, as explained below, the Receiver will be communicating with the Department of Finance concerning eliminated positions no later than January 2007. He will report to the Court concerning eliminated positions in his next Bi-Monthly Report.

VI.

ESTABLISHING AN OFFICE OF THE RECEIVER

A. Introduction.

The process of establishing the Office of the Receiver continues. In that regard, the Receiver reports below concerning the new staff added to his Office and his on-going communications with the public.

B. New Appointments for the Office of the Receiver.

The Office of the Receiver continues to grow. Since the filing of the last report, the Receiver has appointed specialists in medical information technology, custody support, office administration, program management, law, and financial management.

Justin V. Graham, M.D., M.S., is the Chief Medical Information Officer for the Receiver. Dr. Graham will develop strategic and tactical plans for the implementation, adoption, and optimal utilization of healthcare information technology in the California prison system. Dr. Graham comes to the Receivership from Lumetra, a non-profit healthcare consulting, quality assurance, and training organization. As Lumetra's Medical Director for Quality and Informatics, he provided strategic and operational leadership for the adoption of healthcare information technology impacted by Lumetra's diverse portfolio of healthcare quality programs, including its Quality Improvement Organization ("QIO") contract with the Centers for Medicare & Medicaid Services ("CMS"). He was also the Physician Advisor for Illumisys, Lumetra's business unit specializing in Health Information Technology ("HIT") adoption and electronic health record ("EHR") implementation. Dr. Graham also represented Lumetra on a number of state and national advisory boards, including the National Quality Forum, the Physicians' Foundation for Excellence HIT Subcommittee, the California State Taskforce on Healthcare-Associated Infections, and the Clinical Working Group of CalRHIO, California's umbrella Regional Health Information Organization. Prior to his employment with Lumetra, Dr. Graham served as Deloitte Consulting's national physician lead for Kaiser's multi-billion dollar Epic

information systems installation at 30 hospitals. Dr. Graham also helped develop a change management toolkit to guide physicians through the difficult journey of healthcare IT adoption. Dr. Graham is board certified in internal medicine and infectious diseases, with medical and Master's level medical informatics training at the University of California, San Francisco, Harvard University, and Stanford University.

Donald Hill is a Custody Support Services Specialist for the Receiver. Mr. Hill will be assisting the Director of Custody Support Services, Joseph McGrath, establishing custody health care access teams and identifying and developing appropriate medical space within the community and existing prison facilities. Mr. Hill was employed by the California Department of Corrections and Rehabilitation for 33 years. He started his career as a Correctional Officer and held a variety of positions including Chief of Investigative Services, Coordinator of the State-wide Prison Gang Task Force and Special Agent with the Law Enforcement Liaison Unit. Mr. Hill also consulted for the Special Master in the case of *Ruiz vs. Estelle* in Texas. Mr. Hill culminated his career as the Warden of the California Correctional Institution at Tehachapi. Since his retirement in December 1996, Mr. Hill has consulted for a private prison company and has been employed as a retired annuitant with the CDCR as a member of the Mental Health Quality Management assessment team, co-chair of the Budget deficit review Team and co-chair of the Standardization Team.

Duane Honey is a Construction Analyst for the Receiver. Mr. Honey will assist the Receiver's Director of Facilities Engineering concerning facilities and engineering projects being undertaken at San Quentin State Prison. From 1966 to 1974, Mr. Honey worked as a Journeyman Machinist through the U.S. Navy Civilian Apprenticeship Program. Mr. Honey entered state service in 1974 as a Maintenance Mechanic for Caltrans, and in 1976 Mr. Honey began working at San Quentin State Prison. At San Quentin he promoted through the Plant Operations ranks, holding positions including Stationary Engineer, Chief Engineer, and Correctional Plant Supervisor. Mr. Honey retired from state service in 2005 as an Associate

Construction Analyst.

Denise Huber is an Administrative Assistant in the Receiver's San Jose office. Ms. Huber has nearly twenty years combined experience in office administration and accounting support services. Most recently, Ms. Huber was an Executive Assistant at Grand Oaks Property and Real Estate in San Jose.

John Hummel is the Chief Information Officer ("CIO") for the Receiver. Mr. Hummel has worked more than 30 years in information services and health care systems. Mr. Hummel comes to the Office of the Receiver from Perot Systems where he was the National Clinical Solutions Director for Advanced Clinical Systems. Mr. Hummel was responsible for installation and support of software systems, from most of the leading health care software vendors, at over 550 hospitals world wide. Before Perot Systems, Mr. Hummel was the CIO and Senior Vice President Information Services for Sutter Health. Prior to Sutter Health, Mr. Hummel was a CIO for an international esoteric genetic reference lab, a national for profit hospital chain, and was a bio-medical engineer for a lithotripsy and laparoscopic devices company. Mr. Hummel is a Viet Nam era Navy Veteran with experience in nuclear engineering and electronic warfare technology for both surface and submarine services. Mr. Hummel has also been actively involved in health care IT change in several national groups including the Microsoft Healthcare Users Group (Board of Directors/Board President, 1996-2002), the College of Healthcare Information Management Executives and the Healthcare Information and Management Systems Society (since 1993), the Certification Commission for Healthcare Information Technology EMR Certification Commission (Commissioner, 2004-2006), and the California Regional Health Information Organization (Board of Directors, 2004-2006).

Sunny Rosenfeld Lerner is a Staff Attorney for the Receiver. Ms. Lerner assists John Hagar, the Receiver's Chief of Staff concerning report and motion writing, as well as legal research. Prior to joining the Receiver's Office, Ms. Lerner was the Lead Staff Attorney for the California Superior Court, San Francisco, general civil division. There, she worked on a wide

range of litigation for judges of the Trial Court and Appellate Division, as well as managed a staff of legal research assistants. She graduated from Boalt Hall School of Law, UC Berkeley in 1998 and is a member of the California Bar.

Donald Meier is a Custody Support Services Specialist for the Receiver. Mr. Meier will be assisting the Director of Custody Support Services, Joseph McGrath, with establishing custody health care access teams and with identifying and developing appropriate medical space within the community and existing prison facilities. Mr. Meier was employed by the CDCR for 32 years. He started his career as a Correctional Officer and promoted through the custody ranks. During his career Mr. Meier worked a wide range of assignments, including Statewide Transportation, Acting Chief of the Program Support Unit, and Coordinator for the Statewide Standardization Project. Mr. Meier concluded his career in CDCR as Associate Warden at High Desert State Prison. During his tenure Mr. Meier was responsible for the development of statewide staffing standards for all custody level institutions. Additionally, Mr. Meier developed regionalized Hospital Guarding Units for CDCR throughout the state. Since Mr. Meier's retirement in May of 2006, he has been employed by the CDCR as a Retried Annuitant, serving as the liaison for the Warden of San Quentin and CPR. Mr. Meier has also been a partner in a consulting firm specializing in security design reviews, design intent, design staffing reviews and staff training.

Jayne Russell is a Program Manager for the Receiver, and, as a member of the Receiver's San Quentin Project, is responsible for the overall medical delivery system at the prison. Ms. Russell has 25 years of correctional management experience in prisons and jails. She has managed intake classification departments and was on loan to the Federal Bureau of Prisons, National Institute of Corrections, as a Program Specialist. Ms. Russell managed health care in the Maricopa County Jail, Phoenix, Arizona for nine years. She also developed and spearheaded the state corrections accreditation department and achieved national NCCHC accreditation for their prisons during her tenure. Ms. Russell retired from the Arizona Department of Corrections

in health administration in 2006. Ms. Russell is on the Board of Directors for the NCCHC and is past Chair of the National Academy for Correctional Professionals. She conducts workshops and training at national conferences and has published numerous articles and training curricula for corrections. Ms. Russell has a master's degree in counseling from University of Massachusetts and, in the early stage of her career, she worked as school psychologist with juveniles and adolescents.

Stephen W. Weston is the Special Assistant to John Hagar, the Receiver's Chief of Staff. Mr. Weston is a 32-year veteran of the California Highway Patrol, and also an attorney. From 1991-2006, he managed the CHP unit responsible for the investigation of threats against California state officials. Mr. Weston has been on the staff of the Los Rios College District since 1978 as an instructor in dignitary protection, threat assessment, and major event planning. He was an instructor in the nationwide contemporary threat management training sponsored by the National Sheriffs' Association. Mr. Weston is currently on the faculty of California State University, Sacramento, in the Criminal Justice Division. Steve Weston is the co-author, with Frederick S. Calhoun, of Defusing the Risk to Judicial Officials: The Contemporary Threat Management Process, and Contemporary Threat Management: A Practical Guide. Mr. Weston has consulted with government and private organizations in the management of threatening situations and lectures throughout the country on public official threat management. He has served as president of the Northern California chapter of the Association of Threat Assessment Professionals (ATAP).

Rich Wood is the Chief Financial Officer for the Receiver. Mr. Wood brings over 25 years of experience in healthcare finance and operations to the Office of the Receiver. Over the past eight years Mr. Wood provided interim financial executive service and operations support for hospitals and hospital systems throughout the United States. Mr. Wood began his career with a national public accounting firm and was CFO at several hospitals. He also worked in the public sector for the Auditor General of Pennsylvania. In addition to his own consulting practice,

Mr. Wood worked with several national healthcare consulting firms providing turnaround counsel for under performing and troubled healthcare institutions. Mr. Wood is a graduate of Penn State University and is a Certified Public Accountant.

C. Communications with the Media and Public.

1. *Introduction.*

The Receiver continued to ensure that the public and other key constituents received the appropriate background, context and educational materials needed to understand the remedial effort. This outreach included issuing press releases and public correspondence, conducting background discussions and providing interviews to reporters and producers, the production of an op-ed for the statewide audience that appeared in the Sacramento Bee, the orchestration of a press visit to San Quentin and the completion of a web site. Topics addressed included the following: out-of-state transfers, building of new medical beds, Methicillin-Resistant Staphylococcus Aureas ("MRSA") infection, medical staff salary increases, the San Quentin project, the Special Session of the Legislature on the prison crisis, prison overcrowding, the cost to the state of the Receivership's activities (including total new positions authorized by Receiver), the efforts of Doctors Hospital San Pablo to contract with CDCR, the Receiver's Second Bi-Monthly Report and access to the Receiver. In addition, Public Information Officers at individual prisons engaged with the Receiver's office, seeking information and guidance about the handling of local medical issues such as dialysis and community hospital contracting.

2. *Media and Public Outreach.*

a. Public Information Produced by the Receiver:

Press release September 19, 2006 re: Second Bi-Monthly Report

Memo to San Quentin staff - October 5, 2006 re: San Quentin medical care improvement project update

Memo to San Quentin inmates - October 5, 2006 re: San Quentin medical care improvement project update

Op-ed in the Sacramento Bee - October 8, 2006, "Cruel and Unusual Prison Health Care" -- with photographs of San Quentin provided by the Receiver

Press release - October 17, 2006 re: Judge Henderson's Order granting the Receiver's request for waiver and medical staff salary increases

Memo to CDCR medical staff - October 23, 2006 re: timing and implementation of salary increases

Letter 4 from the Receiver - October 27, 2006: fourth in a series of public letters from the Receiver, this one provided a six-month progress report to a broad state audience

b. Receiver's Radio and TV Appearances:

Channel 10 News San Diego, September 14, 2006, "10 News Examines State Prison Health Care"

KCBS Radio News San Francisco, Oakland, San Jose – September 19, 2006

KPBS San Diego – September 20, 2006

Capitol Public Radio Sacramento – October 17, 2006

KQED Radio San Francisco – October 17, 2006

c. Receiver's public appearances:

Keynote address at California Conference of Local Health Officers Conference, San Diego, October 2006

Little Hoover Commission Testimony, Sacramento, November 2006

d. Editorials Concerning the Receivership:

Marin Independent Journal - September 21, 2006, "Health fix overdue at San Quentin"

Contra Costa Times - September 24, 2006, "Legislature Fails to Make Needed Prison Reforms"

Sacramento Bee - September 24, 2006, "Prison Health Reform"

Vacaville Reporter - September 24, 2006, "Willing to Act: If State won't fix prisons, Receiver will"

e. Examples of News Coverage:

Hayward Daily Review - September 13, 2006, "Prison health reformer talks money: Requested raise in salaries would require waiver of state law"

San Mateo County Times - September 17, 2006, "Prison reform remains on lock down"

San Jose Mercury News - September 18, 2006, "Clock ticking on overcrowding"

San Francisco Chronicle - September 19, 2006, "Health czar to order new prison medical facilities"

San Jose Mercury News - September 19, 2006, "Health czar to order new prison medical facilities"

KESQ ABC News Channel 3 Palm Springs - September 19, 2006, "Inmate health czar to order beds after lawmakers' inaction"

KTVU Channel 2 Oakland - September 19 2006, "Federal Overseer to Order Expansion of State Prison Hospitals"

Vacaville Reporter - September 20, 2006, "Prison Reform Paralysis Cited"

KQED Radio San Francisco Capitol Notes - September 20, 2006, "Bonds not budget"

Monterey County Herald - September 20, 2006, "Prison Health Chief to Order New Facilities"

Marin Independent Journal - September 20, 2006 "San Quentin State Prison castigated for failure in health care"

Oakland Tribune - September 20, 2006, "Attempt to reform prisons is blasted: Receiver criticizes governor, lawmakers for paralysis in session"

Sacramento Bee - September 20, 2006, "Prison fix: $600 million. Estimate is just a start as the receiver's report hints at cost to improve inmate health care"

Contra Costa Times - September 21, 2006, "Financial officer resigns as troubled hospital eyes state contract"

Contra Costa Times -September 21, 2006, "Report condemns prison's health care"

Marin Independent Journal - September 22, 2006, "5-story medical center proposed at San Quentin"

Sacramento Bee - September 25, 2006, "Film documents a lifetime of activism"

Contra Costa Times - September 26, 2006, "Doctors update planned for today: West Contra Costa Healthcare District to vote on contract for state inmate medical care"

Sacramento Bee - October 1, 2006, "San Quentin boasts an old dungeon, but no quick fix"

Sacramento Bee - October 17, 2006, "California prison medical pay increase"

San Jose Mercury News - October 17, 2006, "California prison medical workers get pay increase"

Orange County Register - October 17, 2006, "Prison medical staff get major pay hike: Federal watchdog hopes increase will translate into better health care for inmates"

Fresno Bee - October 17, 2006, "California prison medical workers get pay increase"

Riverside Press-Enterprise - October 17, 2006, "California prison medical workers get pay increase"

San Luis Obispo Tribune - October 17, 2006, "California prison medical workers get pay increase"

San Francisco Examiner - October 17, 2006, "California prison medical workers get pay increase"

Times Daily (Florence, Alabama) - October 17, 2006, "California prison medical workers get pay increase"

San Diego Union Tribune - October 17, 2006, "California prison medical workers get pay increase"

Sacramento Bee - October 18, 2006, "Prison medical staff raises OK'd"

Vacaville Reporter - October 18, 2006, "Pay hikes for prisons' health-care employees"

Oakland Tribune - October 18, 2006, "Prison medical workers closer to getting raises:

Judge approves salary increases sought by court-appointed receiver"

Tri-Valley Herald - October 18, 2006, "Pay hikes for prison's health-care employees"

Fremont Argus - October 18, 2006, "Pay hikes for prison's health-care employees"

Contra Costa Times - October 18, 2006, "Prisons' medical staff will get pay increases: Officials hope to improve care in a system where one inmate a week, on average, dies from neglect or malpractice"

Desert Sun - October 18, 2006, "Judge approves pay increase for prison medical workers"

CBS-5 San Francisco, Oakland, San Jose - October 18, 2006, "SF Judge Raises Prison Medical Personnel Salaries"

KESQ ABC News Channel 3 Palm Springs - October 18, 2006, "California prison medical workers get pay increase"

Marin Independent Journal - October 18, 2006, "Lawyer praises pay hike for prison medical staff"

Monterey Herald - October 18, 2006, "Pay hike for prison medical workers: Judge approves increases for system 'broken beyond repair'"

California Progress Report - October 27, 2006, "Why Prison Reform Doesn't Happen" by Jackie Speier.

f. Health Care Industry press coverage:

On October 19, 2006 the following outlets printed the Receiver's Press Release on Salary Increases:

Medical News Today

Hospitals Worldwide

MediLexicon

g. Additional Activities:

The Receiver invited a group of journalists from the Sacramento Bee, San Francisco Chronicle, San Jose Mercury News, Los Angeles Times, Associated Press and Marin

Independent Journal to visit San Quentin on September 21, 2006 to observe a working meeting of the Receiver's San Quentin Project team and also inspected prison clinics. The Receiver's staff also distributed photographs of San Quentin medical facilities. Coverage concerning the Receiver's activities at San Quentin appeared in the Marin Independent Journal (September 22, 2006), Sacramento Bee (October 1, 2006).

The Receiver's staff completed production of video B-roll of San Quentin's medical facilities for broadcast media.

The Receiver met in October with the Coalition for Accountable Health Care, a group of 11 prisoner advocacy organizations that focus on the experience of women inmates. The Receiver also met with representatives of the County Alcohol and Drug Program Administrators Association of California on November 29, 2006.

The Receiver completed design and construction of a web site to post public information and updates about the remedial activities. The address is www.cprinc.org.

D. Communication With Counsel and the *Coleman* Special Master.

The Receiver also established, during this bi-monthly reporting period, a program to meet on a monthly basis with counsel for plaintiffs and counsel for defendants in order to discuss emerging issues, preview program changes, and address concerns raised by the attorneys. In addition, the Receiver and members of his staff have established regular meetings with Michael Keating, the Special Master for the state-wide mental health case (*Coleman v. Schwarzenegger*) .

VII.

PROBLEMS FACED BY THE RECEIVER, INCLUDING ANY SPECIFIC OBSTACLES PRESENTED BY INSTITUTIONS OR INDIVIDUALS

The Receiver encountered significant problems from California's State Personnel Board ("SPB") during this Bi-Monthly reporting period.

As mentioned above, the Receiver made the decision to eliminate the MTA position several months ago. He is in the process of working with the CDCR and California Correctional

Peace Officers Association ("CCPOA") to replace this correctional officer/clinician position with LVNs who will be exclusively dedicated to clinical activities and will report to the nursing chain of command. In an apparent attempt to obstruct the MTA/LVN conversion, the SPB has attempted to impose a pre-employment drug testing requirement for LVNs despite the following:

1. No other clinical position in the CDCR, including Chief Physician and Surgeon; Chief Physician and Surgeon, Correctional Facility; Physician and Surgeon, Correctional Facility; Physicians Assistants; Nurse Practitioner; Nurse Practitioner (Safety); Registered Nurse, Correctional Facility; Nurse Instructor; Nurse Instructor, Correctional Facility; Public Health Nurse; Surgical Nurse, Correctional Facility; Pharmacist I; Pharmacist II; Pharmacy Service Manager; and Pharmacy Technician requires pre-employment drug testing.

2. California Code of Regulations, Title 2, section 213 states that an appointing power may *only* conduct applicant drug testing after it has documented the sensitivity of the classification, including the fact that incumbents work with such independence that it cannot be safely assumed that mistakes will not be prevented by a supervisor or other employees. Concerning those LVN's who work in California prisons, however, the appointing authority, the Receiver, does not believe that evidence exists which warrants pre-employment drug testing. Therefore, the SPB had no authority to call for pre-employment drug testing for LVNs.

3. Section 213 requires SPB to conduct public hearings regarding the adequacy of this documentation as a *precursor* to including drug testing as a minimum qualification for the class. The SPB, however, simply ignored this requirement when issuing a decision that calls for pre-employment drug testing for LVNs.

In a second case, the SPB returned to active employment an MTA who had been terminated by CDCR for clinical misconduct and dishonesty. Claiming in a written opinion that this MTA was merely "clueless," the SPB returned her to work *after* the Receiver announced his decision to eliminate the MTA job classification and in direct contradiction to the Receiver's instructions that no MTAs be returned to work as MTAs because of the pending conversion to

LVNs. As the Receiver pointed out in his First Bi-Monthly Report:

> Due to labor agreements, statutes, regulations, policies and procedures related to the State personnel system, Civil Service requirements, and the California State Personnel Board, it is virtually impossible to effectively discipline and/or terminate State employees for poor performance, up to and including incompetence and arguably illegal behavior. The sense of hopelessness this creates for supervisors, managers, department heads and others with the responsibility and supposed authority to assure adequate and competent performance of subordinate employees cannot be overstated and has led, in some cases, to the dereliction of their own responsibilities in this regard. In addition, the lack of qualifications, training and, in some instances, competence of the above personnel has created a culture of incompetence and non-performance which, unfortunately, is more rewarded than not within State employment.

See First Bi-Monthly Report at 5:1-10. Without question, this SPB decision is a classic example of the SPB rewarding "incompetence and arguable illegal behavior."[7]

Although the Receiver would prefer to work in cooperation with the SPB, he is also examining alternatives to stop the SPB's obstruction of the Plata remedial process. It may be necessary, unless the SPB is willing to work cooperatively, for the Receiver to move for sanctions pursuant to page 8, paragraph VI. of the Order or to move to add the SPB as a party defendant in this case. In any event, the Receiver will report to the Court concerning the SPB in his next Bi-Monthly Report.

VIII.

SUCCESSES ACHIEVED BY THE RECEIVER

A. Contracting with Specialty Care and Other Out-of-Prison Providers.

1. *Introduction/Background.*

As reported in the Receiver's Second Bi-Monthly Report, one of the most serious systemic impediments to bringing prison medical care up to constitutional standards is the collapse of the CDCR's health care services contract system. The State's current *paper* based system of processing more than 2,600 medical contracts annually (contract expenditures exceed

[7] To protect patient safety, the Office of the Receiver issued instructions that this MTA cease providing patient care and, if necessary, contact SPB headquarters concerning an alternative State job assignment.

$408 million annually) is entirely dysfunctional and resulted, by late 2005, in health providers who perform essential services at thirty-three prisons refusing to treat prisoner/patients due to the failure to pay invoices dating back for up to four years.

On March 30, 2006, the Court filed its Order re State Contracts and Contract Payments Relating to Service Providers for CDCR Inmate/Patients ("Order re Contracts"), requiring that under the direction of the Receiver, the CDCR and other State entities responsible for contracts develop and institute health care oriented policies and standards to govern the CDCR medical contract management system, considering both the need for timely on-going care and the fiscal concerns of the State. To address this challenge, a Project Team was established consisting of CDCR staff and representatives from the State's control agencies, which is guided and monitored by the Receiver's Chief of Staff and Staff Attorney.

In addition to effectuating the payment of all outstanding invoices, the Project Team has developed modified conceptual bidding, procurement and payment processes. In August 2006 the Team turned its focus to developing the necessary management elements of an adequate contract processing system. This new process is anticipated to begin to function on a pilot basis (described below) on January 22, 2007, supported by a newly created computerized state-wide data base which will manage all CDCR medical contracts, replacing the current paper based system.

2. *Medical Contract IT System Update.*

The Information Technology ("IT") subgroup of the Project Team evaluated several potential IT systems and on August 11, 2006 recommended a particular Health Care Document Management System ("HCDMS") which was endorsed by the Receiver. On September 7, 2006, the Receiver issued a Request for Proposal ("RFP") for a "System Integrator" to implement the recommended HCDMS system. After review of a number of bidder's proposals, the Receiver awarded the System Integrator contract to Unisys Corporation.

Throughout November 2006 the Project Team worked with Unisys to prepare for the pilot

test (discussed below) and facility wide implementation of the HCDMS. On November 7, 2006, the Team held the first Quality Gate review of the HCDMS, where they determined which elements of the software needed fine tuning. Another round of testing will begin on December 11, 2006. The Receiver cannot emphasize enough the amount of work and attention to detail that the IT element of the project entails.

3. *Pilot Project Overview.*

The modified start date for the pilot project is January 22, 2007. The pilot is anticipated to continue for three to five months. The pilot project has two components:

a. Plata Compliance Unit: the pilot in Sacramento will include personnel from the IMCS section, formerly in CDCR OBS, and which now reports directly to the Office of the Receiver through the Plata Compliance Unit in DCHCS. Joining IMCS staff with the pilot project in the Plata Compliance Unit will be selected personnel from the Health Care Operations Support Section of DCHCS as well as personnel from the Heath Care Cost and Utilization Program.

b. The Pilot Project in Prisons and Regional Accounting Offices: The pilot will also involve staff at four prisons (San Quentin State Prison, Pelican Bay State Prison, California Medical Facility, and the Central California Women's Facility) and two Regional Accounting Offices (North Coast and Corcoran).

During the pilot program, Unisys will train those staff involved with the pilot and trouble-shoot problems that arise during this testing period. Upon successful completion of the pilot, the system will be adopted by all CDCR facilities according to a time-phase schedule which has not yet been determined.

4. *Pilot Project Status.*

Throughout October and November 2006 the Team has been finalizing its organization for implementation of the pilot (securing space, facilities work and cabling) and beginning to develop policies and procedures for the conduct of the pilot, covering topics including the

delegation of contract signature; the types of contract instruments and when they are utilized; how changes in Scope of Work, Standard Terms and Conditions, and Rates are made; what contracts are bid and which are not, and how these decisions are made, including approval delegations. The Team is also working on a Contract Manual which will describe how contracts will be processed, including comprehensive guidance on all aspects of the pilot contracting process. Again, this aspect of the project requires careful planning and strict attention to detail, not to mention long working days for the many members of the Project Team. During the pilot, both old and new systems will be maintained; therefore, the Team must also concentrate on work-load shifting and how to meet additional staffing needs.

5. *Conclusion.*

The months of December 2006 and January 2007 will undoubtedly present numerous and very significant challenges to the Project Team. It is anticipated that this project will also call for continued, intensive support from the Office of the Receiver, especially during the initial weeks of the pilot. The Receiver will provide the Court with additional information concerning the pilot in his next Bi-Monthly Report.

B. The Receiver's Plan to Restructure CDCR Pharmacy Services.

Prior to his appointment, the Court, at the Receiver's request, took action concerning the pharmacy crisis in California's prisons. It was apparent that the California prison pharmacy system, or more accurately the lack of any system, not only posed a serious threat to prisoner/patient medical care, but also functioned ineffectively concerning the contracting, procurement, distribution, and inventory control of necessary patient medications, including controlled substances. Given its massive size, the lack of centralized controls, the lack of effective audit programs, and the inherent potential for fraud and theft which exists in the correctional environment, the Receiver made the decision to obtain a timely and independent evaluation of CDCR pharmacy. Maxor, a Texas Corporation with extensive experience in correctional pharmacy management, was retained to conduct an up-to-date audit of California's

prison pharmacy services. Maxor's audit, titled *An Analysis of the Crisis in the California Prison Pharmacy System Including a Road Map from Despair to Excellence* ("Maxor Audit"), was presented to the Court in a hearing on July 26, 2006. Maxor's representatives also presented a proposed "Road Map," designed to guide the Office of the Receiver in developing a constitutionally adequate pharmacy services delivery system. At the conclusion of the hearing the Receiver announced his plan to engage a pharmacy management firm to implement the Road Map. Plaintiffs, defendants, and the Court approved the Receiver's plan.

On August 2, 2006, the Receiver's Chief of Staff and Staff Attorney conducted a phone conference with representatives of DGS to offer the State the opportunity to issue an RFP for the implementation of the Road Map within the following weeks. The State declined the offer, citing its own legal barriers and the difficulty it would face in meeting the Receiver's expedited timeframe. Thus, the Office of the Receiver produced the RFP, issuing it on August 18, 2006.

Responses to the RFP were received by September 18, 2006 and on October 12, 2006 all respondents were granted interviews with the Receiver and a selection committee appointed by the Receiver. After full consideration of all written proposals and oral presentations, the selection committee unanimously recommended that the Receiver select the Maxor Corporation as the Receiver's contractor.

On October 20, 2006, the Receiver adopted the selection committee's recommendation. Contract negotiations with Maxor are currently underway and the Receiver anticipates a contract start date of January 1, 2007, at which time the restructuring of the CDCR's pharmacy system will begin.

C. 5000 Multi-Purpose Medical Bed Construction Project.

As a result of legislative inaction emanating from the Special Session convened by the Governor, the Receiver commenced planning for 5,000 multi-purpose medical beds, anticipated to be operational within the next three to five years. The project will begin with a survey of prisoner/patient medical bed needs to be conducted by a private consulting firm in early 2007. In

addition, coordination with the Special Master in *Coleman* has begun to determine whether the project should be expanded to provide for an additional 5000 beds needed for CDCR mental health patients.

On October 19, 2006, the Receiver requested the CDCR develop and submit a plan to site, design and construct 10,000 health care beds (5,000 medical beds and 5000 mental health beds) to be located at up to seven sites and in response, on November 1, 2006, Secretary James Tilton submitted a resource requirement proposal to construct new medical/mental health facilities. Sites currently under consideration at this time include California State Prison, Los Angeles County, California Men's Colony, California Institution for Men, Richard J. Donovan Correctional Facility, Deuel Vocational Institution, the California Medical Facility, and Fred C. Nelles. (*See* Exhibit 8). The Secretary estimates that approximately 130 staff will be needed to plan, design and construct these new facilities. Certain staff will be required immediately, such as an Assistant Deputy Director, Project Director, and environmental staff, while others may be hired when needed (i.e., warehouse and activation staff).

The Receiver has calendared a third meeting with State officials concerning this construction project for December 5, 2006. He will report to the Court concerning progress on construction in his next Bi-Monthly Report.

D. The 500 Correctional Treatment Center Bed Project.

1. *Introduction.*

The Office of the Receiver has launched the project to identify and secure five hundred additional Correctional Treatment Center ("CTC") or CTC replacement beds within 180 days. As iterated in the Second Bi-Monthly Report, two factors mandate an immediate increase in CTC or CTC replacement beds.

> First, there is a serious need for more in-patient and step-down beds, an existing problem which will not be addressed in a timely manner through the proposed 5000 beds previously mentioned. Second, the CDCR has implemented a practice whereby prisoner/patients in contract acute beds remain in those expensive beds because the CDCR's health care system does not have alternative step-down facilities or adequate numbers of CTC beds in which to house the patients. In

addition to being wasteful, this practice has created a crisis shortage of contract acute beds.

Second Bi-Monthly Report at 49-50.

Subsequently acquired statistics provide even more support for this project. For example, according to CDCR reports, there were approximately 7800 CDCR prisoner/patient admissions to contract community hospitals acute care beds during the past year, with an *average* of 9-day stays per admission. This translates into approximately *62,000 days* of acute care stays by CDCR prisoner/patients in community hospitals, indicative of very poor bed management, not to mention a significant cost to California's taxpayers. According to CDCR officials, a contributing factor to unnecessary lengthy and expensive hospital stays are inadequate numbers of CTC beds for inmate-patients returning from acute care to convalescent or lower levels of care.

2. *The Organization of the 500 CTC Bed Project.*

The Receiver's Chief of Staff has organized the Project into six teams, with members from both the Receiver's Staff and the CDCR, to address the following issues:

1. Formulate the minimum acceptance criteria used to evaluate potential replacement beds, including facility standards (such as earthquake and ADA requirements), custody requirements, standards of patient care, and economic criteria including any conversion or upgrade costs;

2. Identify replacement bed sources, including closed/closing hospitals, facilities with unused beds, nursing homes, Skilled Nursing Facilities, and hospice centers;

3. Conduct an assessment of the Corcoran and Coalinga facilities concerning the potential for housing prisoners who require sheltered living but not full CTC services.;

4. Review the impact of the current classification and disciplinary systems on older inmates with respect to their placement and retention in appropriate care facilities;

5. Assess existing CDCR facilities (including but not limited to "E-Dorms"), State and local facilities, former military bases and other commercial properties that may be suitable for fast track construction of modular units with preference given to those facilities/properties that have a compatible use or that are "entitled land" to reduce the amount of permit approvals; and

6. Assess existing hospice beds and evaluate the potential for expansion of the program.

3. *The Scope and Cause of the Existing CTC Bed Shortage.*

The second Project Team meeting was held on November 9, 2006, at which time the teams reported on assessments of additional private sector sources of beds, the potential use of E-dorms as possible surgical recovery units, and an initial assessment of inmate patients currently housed in CTC and Acute care beds in both prisons and contract community hospitals.

This initial (and incomplete) analysis indicates that there are a significant number of inmate-patients in beds that are not appropriate for the level of care they need. It also indicates that DCHCS may be able to save significant patient costs by appropriately matching these inmates with the level of care they need. Finally, the records maintained by DCHCS do not provide adequate information to determine how many inmate patients can be moved to appropriate care settings. To address this issue, within the next 45 days, the Team will conduct a one day, "snap-shot" study of the current and long term care needs of all inmate patients occupying all medical beds (GACH, CTC, and OHU). In addition, the Team determined that a more nuanced understanding of CTC patient custody needs was required beyond the current penal classification system given the impact of wellness levels (both medical and mental health) on patient custody requirements. Given this, the snap-shot study must consider factors such as patient functionality and behavior to determine if a prisoner/patient's behavior warrants a less secure facility than would normally be appropriate based on his or her classification.[8] For

[8] Integral to refining this picture of the needs of the current CTC population is coordination with the *Coleman* Special Master. Initial estimates indicate that *sixty percent* of CTC beds are currently

example, an older, infirm, and partially disabled prisoner/patient may safely be housed in a dormitory system "sheltered living" unit despite a higher classification that was assigned years earlier upon his intake into the prison system.

4. *Conclusion.*

The CTC bed "shortage" is similar to other remedial plan challenges faced by the Office of the Receiver. While there is no question that thousands of multi-purpose beds are needed for prisoner/patients, the CTC shortage appears in fact to be a combination of problems including poor bed management, inadequate patient tracking systems, inappropriately applied classification criteria, the failure to appropriately cohort patients, as well as other and yet undetermined factors. Furthermore, many anecdotal myths, including rumors of empty hospitals ready for prisoner/patients are simply false. Nothing is served by proceeding too quickly concerning this issue, nor should taxpayer resources be expended for more high-acuity medical beds if the underlying problem is poor bed management. Therefore, the Receiver and Team will proceed carefully concerning the 500 Bed CTC Project and will report to the Court concerning this issue in the next Bi-Monthly Report.

E. The Receiver's San Quentin Project.

1. *Introduction.*

The Receiver's San Quentin Project has implemented and begun the implementation of numerous significant improvements in the structure of medical care delivery at the prison. The Project has taken longer than anticipated and required more remedial resources than first believed necessary. As reported in the Second Bi-Monthly Report, the systemic problems at San Quentin, similar to those at other institutions, are the result of decades of neglect and many specific problems have a number of interrelated causes, each of which must be corrected in order to establish long term and lasting remedial results.

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filled with patients requiring mental health services, rather than traditional CTC services. This forces medical patients to languish in high cost, inappropriate community hospital acute care hospitals, thus wasting taxpayer dollars.

The Receiver will meet with the San Quentin Project Team in January to assess the status of the Project, at which time it is anticipated that many elements of the Project will end. At present, some Team resources have been able to move away from the Project to focus on other assignments; however, San Quentin remains under the microscope and additional new projects are being established at the prison to test various remedial plan concepts. For this report, the Receiver will focus on four issues: (1) restructuring San Quentin's Health Care Delivery system as a pilot project for other prisons; (2) establishing a custody "health care access unit" as a pilot project for other prisons; (3) the use of laptop computers with cell phone wireless devices as a timely and inexpensive interim option for clinical informational connectivity; and (4) the Receiver's plan for interim and long term clinical construction at San Quentin.

2. *San Quentin's Health Care Organization Model.*

During the past month San Quentin began to establish a pilot version of a new prison health care organizational model based on the recommendations in the Mercer Report.[9] This model calls for the creation of a Health Care Executive Manager position with the authority for oversight over three functions: (1) primary care providers (physicians and mid-level practitioners who report to a Chief Medical Officer); (2) nursing (who report to a Supervising Registered Nurse ("SRN" III); and (3) a Health Care Support Services manager (responsible for services such as medical records, laboratory services, medical supplies and equipment, etc.). Jayne Russell of the Office of the Receiver is the Acting Health Care Executive Manager, Dr. Karen Saylor is performing the duties of the Chief Medical Officer, and Registered Nurse Tanya Church is the prison's Acting SRN III. A candidate for the acting manager of Support Services has been recruited, but has not yet been assigned to this new position.

As stated above, the San Quentin health care organization model is a pilot, consistent with the overall objectives of the San Quentin Project. The Receiver emphasizes, however, that this form of organizational structure, or a modified version of the model, will remain in full force

[9] See Second Bi-Monthly Report at 43 - 44, and Exhibit 10 to that Report.

and effect at San Quentin after the formal end to the Project. As stated earlier, the Project at San Quentin is only the first step in a series of necessary changes that will lead, over time, to the restructuring and renovation of the prison's entire medical delivery system.

3. *The Health Care Access Unit.*

The San Quentin project team is also preparing to conduct a pilot project to test the operation of a new Health Care Access Unit. The conceptual basis for the Unit is the establishment of teams of custody staff who are dedicated to transport, escort and security for the provision of health care at San Quentin. This unit will work in conjunction with and coordinate with clinical staff concerning all aspects of inmate/patient access to health care.

The San Quentin Health Care Access Unit will be headed by the prison's Correctional Administrator, Health Care Services. It will include the custody supervisors and officers dedicated to ensuring inmates receive timely, and efficient access to medical care in a safe and secure environment. In terms of actual practice, Health Care Access Unit supervisors will work with the clinical utilization review process to ensure efficient scheduling of appointments to specialty services inside and outside the prison. The Correctional Administrator's primary responsibility will be to provide a service to the Health Care Executive Manager by ensuring that all issues related to inmate access to health care are appropriately coordinated by responsible custody staff.

The Health Care Access Unit is anticipated to begin operations in December 2006. As with all elements of the San Quentin Project, it will be evaluated and modified as appropriate during the months which follow. The purpose of the San Quentin pilot version of the Unit is to establish a working model which will serve as a theoretical and practical model that can be readied for state-wide implementation in 2007. The focus of the Unit will be on having a program for providing safe and secure inmate/patient access to health care in a manner that is efficient and eliminates waste.

4. *The Use of Laptop Computers with Cell Phone Wireless Devices as a Timely and Inexpensive Option for Clinical Connectivity.*

As reported earlier, the San Quentin Project Team has struggled for several months in an effort to provide basic e-mail connectivity to San Quentin clinicians and clinical managers. Several inter-related problems contribute to serious communication and access to basic internet information at the prison including the following: (1) no or very limited connectivity between computers; (2) no or very limited internet (including e-mail access); (3) serious restrictions upon "hard wiring" option due to the age of the prison and the presence of hazardous materials; (4) limited access to electric plugs; and (5) inadequate access to electrical power.

After considerable review, it became apparent that hard wiring existing clinical areas using stationary computers will cost at least several hundred thousand dollars, and may well require an even more costly upgrade and/or replacement of the existing electricity transformer in the San Quentin Infirmary Building. Wireless options for stationary computers, while perhaps somewhat less costly, may also be dependent upon an electrical upgrade and will, without question, take several more months and several hundred thousand more dollars to effectively implement.

Given these time and cost factors, the Team has initiated a pilot project to utilize the next generation of technology to connect clinical personnel at dramatically lower costs. In essence, the pilot will consist of an effort to provide San Quentin clinicians and clinical managers with portable (laptop) computers equipped with device cards that will enable the clinician to access the internet through high speed mobile phone technology. This project, recently begun, will proceed in stages and will include careful coordination concerning security issues (which appear, at this time, to be easily managed).[10]

The Receiver will report to the Court concerning this timely, mobile, and low cost

[10] Batteries for the laptops will be charged at locations in the prison where power is available after the clinician's shift has ended, eliminating the need to perform an expensive upgrade for the aged clinical areas that, once new construction is complete, will no longer be utilized.

alternative to hard wiring permanent personal computers in his next Bi-Monthly Report.

5. *The Receiver's plan for interim and long term clinical construction at San Quentin.*

a. Introduction.

The Receiver's planning for clinical construction at San Quentin nears completion. The projects identified under the Capital Improvement Plan are divided into three packages, involving both temporary structures and permanent construction.

b. Construction Package One.

Package one consists of construction that is necessary to "create space" for longer term projects, modifications to enhance the unacceptable level of services in the aged Neumiller Infirmary Building, and temporary structure which provide San Quentin personnel access to the basics of an adequate medical delivery system such as office space, parking, and supplies. Package One will provide the following:

1. Personnel Offices: In order to support the recruitment and hiring of medical and mental health staff for the institution, the Receiver will construct a building that will allow the recruiting, interviewing, examination, and hiring of potential staff under one roof, with the objective of providing expedited hiring during a single visit by an applicant to the prison. The existing CDCR clinical hiring system is entirely inadequate, forcing a very limited pool of clinical candidates to undergo several unnecessary bureaucratic procedures which in actual practices lead to weeks of delay in the hiring process. The building will include an open office for four staff, four enclosed interview rooms, a central exam area, computer workstations with internet access, an area for livescan screening, a filing room area, restrooms and ancillary support space. It will be located east of the In-Service Training ("IST") building, to the west of the existing personnel office.

2. Replacement Parking Spaces: San Quentin does not have adequate parking for its

staff, nor is there adequate parking for escort vehicles, etc. To address this problem, parking additions and renovations are necessary.

3. Relocation of the "Walk Alone" Exercise Yards from Upper Yard to 'C' Yard: This relocation is necessary to allow for the construction of temporary clinical offices and examination areas in the Upper Yard in 2007 (see Construction Package Two, below).

4. Medical Supply Warehouse: At present, medical supplies are located in various spaces throughout the institution's grounds, including the use of four "Con-X" boxes. A single warehouse will provide for effective inventory control and dispersal of supplies. The warehouse will be designed to allow for multi-tier storage of supplies with forklift access and a truck level loading dock. The warehouse will additionally provide a secure storage area with temperature/humidity control and workspace for warehouse staff.

5. Trauma Treatment Area (TTA) Renovations: The San Quentin TTA provides emergency care to the entire inmate population and staff, including emergency procedures, treatments, and patient stabilization necessary prior to emergency transport to an outside facility. Minor out-patient procedures are additionally performed in the TTA. The project will relocate the TTA from its present location at the northern entrance to the Neumiller building to within the Neumiller building's core on the first floor. Renovation of the TTA will provide the following: four trauma areas for the emergency treatment of patients, including minor out-patient procedures; secure storage room to provide redundant security of the night locker pharmaceuticals and items such as sharps, syringes, etc.; office technician work area for scheduling and TTA support; a nursing work area for charting, form access and TTA nurse operations functions; a primary care provider work area for charting, phone consults, etc.; space for the storage of medical supplies, materials and equipment; a pharmacy call window to allow request and transfer of pharmaceuticals directly to the TTA; inmate holding areas to allow secondary staging from the primary Neumiller holding areas down the hall for immediate access of TTA inmates into the

trauma rooms.

6. Ventilation Upgrades to North Block: As a result of inmate complaints concerning poor air quality within North Block, the Receiver initiated a project to evaluate the air quality and circulation within North Block and to recommend and implement identified improvements. While the findings do not call for closing down the unit, ventilation modifications and an improved cleaning program will be required.

7. Expansion of the West and East Block Rotundas to Establish Clinical "Sick Call" Areas: At present, many critical clinic services (e.g. sick call, screening, and assessments) at San Quentin are provided from converted cells and make-shift office space within the prisoner/patient's cell block, resulting in entirely inadequate space and equipment to provide minimal services. The project will utilize the space in the rotundas of East and West Blocks for expanded and better equipped clinical areas.

8. Miscellaneous, Limited Upgrades to the North, AC and Gym Clinics.

9. Addition of a "triple wide" relocatable trailer to provide needed office space for medical care delivery personnel.

The Receiver emphasizes that these projects are the result of a collaborative effort between San Quentin clinical personnel, custody personnel, and staff from the Office of the Receiver who worked together in a detailed, time consuming manner to develop the overall plan and the details for each specific project. Construction for certain projects of Package One has begun, most of the other projects have been planned, and blueprints and design specifications will soon be ready for submission to the Receiver for the approval to begin construction. The Office of the Receiver is also in the process of compiling accurate expense projections for the projects which will be presented to the Court in the next Bi-Monthly Report.

c. Construction Package Two.

Package Two consists of three projects, scheduled to begin in early 2007:

(1) The Primary Care/Specialty Medical Services Modular, to be placed in the Upper Yard:

This modular is needed as soon as possible because there is insufficient space within the Neumiller Infirmary Building to support the necessary medical and mental health services needed to adequately care for the San Quentin inmate population. Due to this space limitation, primary care and specialty medical services have been identified to be relocated to a temporary modular building in the upper yard. This modular will accommodate the out-patient and specialty clinic functions as well as medical staff support functions for the Institution temporarily until the new Central Health Services Building is completed.

(2) A limited and minor remodel of the existing medical records unit; and

(3) A limited and minor remodeling of the existing Receiving and Release modular.[11]

d. Construction Package Three.

Construction Package Three involves the construction of a permanent Central Health Services Facility at San Quentin. Included in the Facility will be a 50 bed correctional treatment center ("CTC") and a state of the art correctional reception center to accommodate the mission of San Quentin as a CDCR reception center. As of the date of the filing of this report, the Receiver's efforts to include mental health and dental services appear to have been successful; therefore, this construction will also address the shortfalls of services and space for clinical personnel in the *Coleman* (mental health) and *Perez* (dental) class actions.

The Receiver will provide the Court with an update concerning construction at San Quentin in his next Bi-Monthly Report.

IX.

ACCOUNTING OF EXPENDITURES FOR THE REPORTING PERIOD

A. Expenses.

The total operating and capital expenses of the Office of the Receiver for the months of September and October 2006 equaled $929,579. A balance sheet and statement of expenses is attached as Exhibit 9.

[11] This project will also provide an additional 10 foot by 24 foot modular building with three offices to accommodate the mental health screening portion of the receiving process.

B. Revenues.

On October 10, 2006, the Receiver requested a transfer of $1,920,668 from the State to the California Prison Health Care Receivership Corporation (CPR) to replenish the operating fund of Office of the Receiver for the second quarter of Fiscal Year 2006-2007. The Receiver also requested a transfer of $5,650,887 to CPR for the purpose of funding software and software integration services for the Health Care Contracts Document Management System recommended by the State's medical services contract process team. All funds were received in a timely manner.

C. CPR Salaries.

As stated above, the Office of the Receiver has, of necessity, expanded during the reporting period. The achievements described above, including establishing new clinical programs that will result in millions of dollars in taxpayer savings, would not have been achieved without the Receiver making every effort to employ a wide range of experts in diverse fields such as corrections, medicine, finance, and information technology. A current summary of the titles, salaries, and hire dates of CPR staff is set forth below:

Employee	**Title**	**Base Salary***	**Hire Date**
Robert Sillen	Receiver	$500,000	4/17/06
Lori Estrada-Kirn	Special Assistant to the Receiver	$101,000	4/17/06
Rachael Kagan	Director of Communications	$180,000	4/17/06
Jared Goldman	Staff Attorney	$150,000	4/17/06
Joe McGrath	Director, Custody Support Services	$125/hour	6/01/06
Linda Buzzini	Staff Attorney	$150,000	06/01/06
Kristina Hector	Inmate Patient Relations Manager	$93,600	06/22/06
Terry Hill, MD	Chief Medical Officer	$350,000	06/16/06
Lara Hasik	Project Coordinator	$80,000	07/03/06
Anastasia Bartle	Administrative Assistant	$50,000	07/31/06

Employee	Title	Base Salary*	Hire Date
Brett Uhler	Staff Aide	$35,000	07/24/06
Duane Honey	Construction Analyst	$75/hour	08/20/06
Denise Huber	Administrative Assistant	$50,000	09/25/06
Justin Graham, MD	Chief Medical Information Officer	$275,000	10/24/06
Rich Wood	Chief Financial Officer	$275,000	10/23/06
John Hummel	Chief Information Officer	$275,000	11/06/06
Jayne Russell	Acting Health Care Project Officer	$187,678	09/25/06
Donald Hill	Custody Support Services Specialist	$75/hour	12/01/06
Donald Meier	Custody Support Services Specialist	$75/hour	12/01/06
Randolph Sandoval	Administrative Aide	$37,500	11/27/06
Contract Staff Members:			
John Hagar	Chief of Staff	$250/hour	04/22/06
Dave Cameron	Financial Consultant	$75/hour	04/24/06
Kathy Page, RN	Nursing Consultant	$200/hour	06/25/06
Kent Imai, MD	Medical Consultant	$200/hour	08/01/06
Sunny Lerner	Legal Consultant	$100/hour	09/25/06
Stephen Weston	Special Assistant	$75/hour	11/9/06

*Excludes benefits package valued at 30% of salary. Contract staff and those with hourly rates do not receive benefits.

All senior level executive salaries were vetted against salary surveys provided or published by, among other sources, national compensation specialist firms such as: Mercer Human Resources Consulting; Sullivan, Colter and Associates, Inc.; Cejka Search/ACPE Physician Executive Compensation Survey; Physician Executive Management Center, Physician Executive Compensation Report; Hersher Associates, Ltd; Gartner Inc; and Buck Consultants.

Other considerations concerning salary structure included, but were not limited to the

following: the temporary nature of the Receivership and, therefore, employment with it; the utter disrepair of California's prison medical system; the significant dysfunction of CDCR and California state government regarding business practices and prison matters; the unique challenges and dangers associated with working within a prison environment; and the emergency and crisis nature of the mission.

X.

OTHER MATTERS DEEMED APPROPRIATE FOR JUDICIAL REVIEW

A. Inmate Patient Complaints and Correspondence Program.

As reported in the Second Bi-Monthly Report, the Office of the Receiver completed implementation of its initial process for receiving and evaluating inmate patient complaints and correspondence. The Receiver provides below a summary of the initial numbers and type of complaints and correspondence received.

B. Analysis of Prisoner/Patient Letters to the Receiver.

Approximately 80 letters from prisoner/patients are received by the Office of the Receiver each week. Between May 2006 and September 2006, the Office of the Receiver processed 684 letters (a process which includes reading, summarizing, logging, tracking and acknowledging receipt with a return letter). The great majority of letters, not surprisingly, involved complaints about medical care. However, many prisoner/patients also write about topics not within the Receiver's jurisdiction, such as mental health and dental problems, general observations about the prison system, and requests for legal advice. Prisoners raising non-medical issues are referred to the appropriate office for assistance.

Eighty seven prisoner/patients have written to the Receiver more than once, either about the same or a different issue. Each inmate letter regarding medical care is subject to clinical review by the Receiver's Chief Medical Officer or Medical Consultant. Of the letters reviewed by clinical staff, approximately twenty percent were determined to warrant further investigation or immediate clinical contact.

Although the prisoner/patients who choose to write to the Receiver are a self-selected, non-representative sample of the prison population, the letters have provided the Office of the Receiver with a useful perspective concerning the development of proposed systemic interventions. Prisoner/patient correspondence assists in the establishment of clinical priorities by describing the impact of systemic issues on individual prisoners. In addition, this correspondence occasionally prompts intervention when an a problem is presented that must be addressed immediately.

C. Prison Specific Distribution of Correspondence.

The 684 letters received by the Office of the Receiver were mailed from 31 of the 33 adult prisons. The California State Prison – Solano is the source of most correspondence, with 82 letters. The next-highest number of complaints came from: Mule Creek State Prison (72), California Medical Facility (58), Pleasant Valley State Prison (54) and Avenal State Prison (43). No letters have arrived from inmates at Deuel Vocational Institute or Wasco State Prison.

The number of letters by institution is set forth below:

Avenal State Prison - 43
Calipatria State Prison - 8
California Correctional Center - 1
California Correctional Institution - 11
Centinela State Prison - 9
Central California Women's Facility - 12
California Institution for Men - 4
California Institution for Women - 25
California Men's Colony - 26
California Medical Facility - 58
Corcoran State Prison - 18
Correctional Training Facility - 31

Folsom State Prison - 9

High Desert State Prison - 9

Ironwood State Prison - 4

Kern Valley State Prison - 8

California State Prison, Los Angeles County - 23

Mule Creek State Prison - 72

North Kern State Prison - 6

Pelican Bay State Prison - 6

Pleasant Valley State Prison - 54

R.J. Donovan Correctional Facility at Rock Mountain - 18

California State Prison, Sacramento - 4

California Substance Abuse Treatment Facility and State Prison, Corcoran - 36

Sierra Conservation Center - 2

California State Prison, Solano - 82

San Quentin State Prison - 35

Salinas Valley State Prison - 21

Valley State Prison for Women - 5

D. Types of Complaints.

The majority of letters (304) concern the prisoner/patient's disagreement with the medical care provided. Examples of these complaints include patients' contentions that their ailments -- back problems, breathing problems, high blood pressure, diabetes, Hepatitis C, broken bones and others – are not being taken seriously by medical staff. Several patients have written regarding lack of access to care (94), for instance, seeking surgery or specialty appointments. Others regard pharmacy issues (17), detailing a lack of access to medications, incorrect or discontinued prescriptions. The categories of complaints are set forth below:

Issue Category	Statewide Total
Access to Care	94
Medical Appeals Problems	18
Complaint v. Staff	34
Disagree with Care	304
Miscellaneous*	203
Suspicious Death	15
Custody Interference w/ Medical Care	16

*Miscellaneous Category	Statewide Total
Mental Health	29
Dental	13
Legal	9
Pharmacy	17
Other	131

E. Medical Appeal Priorities.

After the review of hundreds of prisoner/patient letters, two critical priorities have emerged which, if corrected, would led to important and necessary improvements in the CDCR medical appeals process. First, the timely review of patient complaints appears to be essential. In actual practice, it appears that in many institutions medical appeals do not respond to patient complaints in a timely manner.[12] Second, the initial evaluation of patient complaints should require a clinical review.[13] Although it varies by institution, medical appeals filed through CDCR's formal "602" system may not be subject to clinical review by a physician until they reach the second formal level, preceded by an informal appeal and a first level formal appeal. Those steps may, in

[12] At some institutions this problem may reflect poor management of patient correspondence, in other cases it may be indicative of severe clinical staffing shortages that created the underlying complaint.

[13] A Patient Advocacy Project has been developed at San Quentin whereby Registered Nurses act as Patient Advocates to review new, informal medical appeals daily and triage them into urgent, emergent and routine categories. Thereafter, the nurses personally interview the inmates with emergent issues that same day. See the Second Bi-Monthly Report at 38 - 39. Under this system urgent cases are seen within 24 hours. Not surprisingly, the program has created a significant increase in *informal* appeals via the Patient Advocates Program (from 237 to 487 weekly), as San Quentin prisoner/patients learned about this quicker route to getting medical attention, creating backlogs and associated staffing problems which are in the process of being addressed.

practice, take months and in some instances prove ineffective in addressing the underlying medical problem.

XI.

CONCLUSION

As the Receivership enters the second half of its first year of operation it approaches a pivotal crossroad. During the first six months of Receivership operations, the overriding focus of California's Administration and the Legislature revolved around the recently completed election. No progress was made regarding deplorable prison conditions, including and especially gross overcrowding. State law, regulations, policies, procedures, and the inherent political nature of state governance continue as impediments which must be modified and/or overcome if cost effective long term improvements in prison medical care are to be achieved.

Many obstacles were faced and several successes achieved by the Receiver in a short period of time. However, the depth of other problems and the inter-related nature of unconstitutional conditions have delayed long term improvements, and likewise delayed the Receiver's design for a necessary near total restructuring of California's prison medical delivery system.

To his credit, signs of cooperation and collaboration have been provided by Governor Schwarzenegger's Office. On the other hand there are also foreboding signs of resistance and obstinance from major agencies such as the State Personnel Board as well as individuals within various agencies of state government. Although to date unions have worked with the Office of the Receiver in a sufficiently cooperative and flexible manner, this posture may not continue when the Receiver moves from salary adjustments to changes in employee roles, responsibilities, reporting relationships, and operating procedures.

The Office of the Receiver achieved its initial progress described without exercising its full powers, and without calling for repeated intervention by the Federal Court. The Receiver will continue to work cooperatively and collaboratively with all stakeholders to the fullest degree possible. However, maintaining the status quo is not an option. The mission, as set out in the

Order of February 14, 2006, will be accomplished, with or without cooperation. In this regard, the Receiver anticipates seeking additional Court orders whenever necessary to overcome the barriers imposed by those who attempt to obstruct the correction of unconstitutional conditions.

Dated: December 5, 2006

Robert Sillen
Receiver

PROOF OF SERVICE BY MAIL

I, Kristina Hector, declare:

I am a resident of the County of Alameda, California; that I am over the age of eighteen (18) years of age and not a party to the within titled cause of action. I am employed as the Inmate Patient Relations Manager to the Receiver in *Plata v. Schwarzenegger.*

On December 5, 2006 I arranged for the service of a copy of the attached documents described as RECEIVER'S THIRD BI-MONTHLY REPORT on the parties of record in said cause by sending a true and correct copy thereof by pdf and by United States Mail and addressed as follows:

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on December 5, 2006 at San Francisco, California.

Kristina Hector

EXHIBIT 1

DIVISION OF CORRECTIONAL HEALTH CARE SERVICES
METHODOLOGY USED TO CALCULATE SALARY SAVINGS
ASSOCIATED WITH THE MTA TO LVN CONVERSION

1. **Salary Calculations:**
   The methodology used for salaries associated with health care peace officer classifications is as follows:

   - Filled Positions:
     - For each classification, staff used the statewide average salary for all filled positions, including pay differentials such as physical fitness pay and longevity pay.

   - Vacant Positions:
     - MTA – We used the mid-step of the current salary range (which includes salary increases that occurred 7/1/06). This is how a vacant MTA is budgeted through the 7A process.
     - Sr. MTA & HPC – We used the minimum of the current salary range (which includes salary increases that occurred 7/1/06).
     - Pay differentials were not included in the vacant salary, as we could not determine what potential incumbents would be entitled to.

   The new minimum step of the salary range for each classification, Licensed Vocational Nurse (LVN), Registered Nurse (RN) and Supervising RN was used for comparison purposes. We identified bay area institutions separately as salaries are different.

2. **Benefit Adjustments:**
   Staff used BMB costings to identify the budgeted level of retirement for peace officer classifications (MTA, SR MTA and HPC) versus the budgeted level retirement for the nursing classifications (LVN, RN, SRN). The amounts used are footnoted on the spreadsheet.

3. **Identification of Reclasses:**
   The costing reflects the impact of reclasses submitted via the 607 process as of 11/6/06. For those positions that we have not received 607s for as of 11/6/06, we assumed the following:

   - MTA positions would be reclassed to LVN; and
   - Sr. MTA and HPC positions would be reclassed to SRN II

   As the 607's are processed, staff will continue to monitor and reconcile conversions until such time as the Receiver's Office no longer requires this report.

EXHIBIT 2

DEPARTMENT OF CORRECTIONS AND REHABILITATION
DIVISION OF CORRECTIONAL HEALTH CARE SERVICES

SAVINGS ASSOCIATED WITH CONVERTING PEACE OFFICE MEDICAL CLASSIFICATIONS TO NON-PEACE OFFICER CLASSIFICATIONS FOR FISCAL YEAR 2006/07

PAY DIFFERENTIALS ARE INCLUDED IN MTA, SR MTA AND HPC SALARY AVERAGES

Institution	Authorized Peace Officer Medical Positions	Peace Officer Total Salaries	Nursing Total Salaries	Monthly Savings Tied to Hiring Nursing Series	Annual Savings Tied to Hiring Nursing Series	Peace Officer Retirement Benefit	Nursing Retirement Benefit	Monthly Retirement Savings	Annual Retirement Savings	Annual Savings for the Current Fiscal Year
ASP	34.0	$ 188,399	$ 123,564	$ 64,836	$ 778,027	$ 45,057	$ 22,100	$ 22,957	$ 275,481	$ 1,053,508
CAL	26.9	$ 148,892	$ 95,243	$ 53,649	$ 643,793	$ 35,655	$ 17,026	$ 18,628	$ 223,541	$ 867,334
CCC	19.8	$ 112,585	$ 71,141	$ 41,444	$ 497,329	$ 26,941	$ 12,722	$ 14,219	$ 170,632	$ 667,961
CCI	45.4	$ 252,082	$ 166,372	$ 85,710	$ 1,028,518	$ 60,262	$ 29,762	$ 30,500	$ 365,996	$ 1,394,515
CCWF	43.3	$ 243,974	$ 159,095	$ 84,880	$ 1,018,557	$ 58,316	$ 28,580	$ 29,736	$ 356,832	$ 1,375,388
CEN	34.7	$ 192,727	$ 125,899	$ 66,828	$ 801,935	$ 46,404	$ 22,517	$ 23,886	$ 286,637	$ 1,088,573
CIM	95.9	$ 546,368	$ 349,839	$ 196,529	$ 2,358,348	$ 130,960	$ 62,577	$ 68,383	$ 820,601	$ 3,178,948
CIW	17.1	$ 99,733	$ 66,086	$ 33,646	$ 403,756	$ 23,738	$ 11,835	$ 11,903	$ 142,839	$ 546,595
CMC	61.4	$ 338,852	$ 228,769	$ 110,083	$ 1,321,001	$ 81,544	$ 40,938	$ 40,606	$ 487,275	$ 1,808,275
CMF	103.2	$ 573,484	$ 391,543	$ 181,941	$ 2,183,293	$ 138,020	$ 70,090	$ 67,930	$ 815,154	$ 2,998,447
COR	55.1	$ 307,271	$ 207,308	$ 99,963	$ 1,199,558	$ 73,975	$ 37,105	$ 36,871	$ 442,447	$ 1,642,005
CRC	25.3	$ 143,435	$ 94,046	$ 49,389	$ 592,664	$ 34,535	$ 16,828	$ 17,706	$ 212,476	$ 805,140
CTF	34.1	$ 183,804	$ 135,269	$ 48,536	$ 582,427	$ 44,412	$ 23,670	$ 20,742	$ 248,905	$ 831,332
CVSP	22.6	$ 125,688	$ 84,907	$ 40,781	$ 489,378	$ 30,325	$ 15,196	$ 15,129	$ 181,552	$ 670,929
DVI	36.0	$ 199,213	$ 136,477	$ 62,736	$ 752,834	$ 48,006	$ 24,430	$ 23,576	$ 282,912	$ 1,035,745
FSP	27.0	$ 152,685	$ 99,767	$ 52,918	$ 635,016	$ 36,755	$ 17,850	$ 18,905	$ 226,855	$ 861,871
HDSP	35.1	$ 199,317	$ 127,118	$ 72,200	$ 866,396	$ 47,638	$ 22,970	$ 24,668	$ 296,017	$ 1,162,413
ISP	22.2	$ 125,403	$ 79,198	$ 46,206	$ 554,469	$ 30,017	$ 14,161	$ 15,857	$ 190,282	$ 744,751
KVSP	20.7	$ 113,587	$ 78,442	$ 35,145	$ 421,742	$ 27,410	$ 14,041	$ 13,369	$ 160,424	$ 582,167
LAC	47.0	$ 262,414	$ 167,332	$ 95,083	$ 1,140,991	$ 62,821	$ 30,035	$ 32,786	$ 393,429	$ 1,534,419
MCSP	28.2	$ 158,887	$ 99,778	$ 59,109	$ 709,304	$ 38,053	$ 18,044	$ 20,010	$ 240,118	$ 949,421
NKSP	38.7	$ 222,615	$ 143,490	$ 79,125	$ 949,503	$ 53,150	$ 25,675	$ 27,475	$ 329,705	$ 1,279,208
PBSP	34.7	$ 195,249	$ 130,018	$ 65,231	$ 782,774	$ 47,546	$ 23,269	$ 24,277	$ 291,325	$ 1,074,100
PVSP	40.6	$ 222,415	$ 145,668	$ 76,747	$ 920,966	$ 53,529	$ 26,048	$ 27,481	$ 329,770	$ 1,250,736
RJD	45.5	$ 250,847	$ 166,576	$ 84,271	$ 1,011,252	$ 60,581	$ 29,798	$ 30,783	$ 369,398	$ 1,380,650
SAC	37.4	$ 208,432	$ 139,225	$ 69,207	$ 830,485	$ 50,363	$ 24,913	$ 25,450	$ 305,394	$ 1,135,880
SATF	42.8	$ 235,686	$ 153,352	$ 82,334	$ 988,013	$ 56,714	$ 27,420	$ 29,294	$ 351,523	$ 1,339,536
SCC	18.4	$ 103,405	$ 66,470	$ 36,935	$ 443,225	$ 24,738	$ 12,014	$ 12,724	$ 152,688	$ 595,913
SOL	34.3	$ 193,333	$ 128,664	$ 64,670	$ 776,038	$ 46,123	$ 23,027	$ 23,096	$ 277,150	$ 1,053,187
SQ	50.0	$ 277,068	$ 189,124	$ 87,944	$ 1,055,326	$ 66,487	$ 33,288	$ 33,199	$ 398,383	$ 1,453,710
SVSP	36.1	$ 190,971	$ 136,943	$ 54,028	$ 648,338	$ 46,222	$ 24,091	$ 22,131	$ 265,573	$ 913,911
VSPW	30.6	$ 173,106	$ 112,055	$ 61,051	$ 732,613	$ 41,695	$ 20,045	$ 21,650	$ 259,799	$ 992,412
WSP	36.7	$ 207,401	$ 140,974	$ 66,427	$ 797,126	$ 49,778	$ 26,065	$ 23,713	$ 284,551	$ 1,081,678
TOTALS	**1280.7**	**$ 7,149,330**	**$ 4,739,747**	**$ 2,409,583**	**$ 28,914,994**	**$ 1,717,769**	**$ 848,130**	**$ 869,639**	**$ 10,435,665**	**$ 39,350,659**
Check =	1280.7	$ 7,149,330	0.0	$ 2,409,583	$ 28,914,994	$ 1,717,769	$ 848,130	$ 869,639	$ 10,435,665	$ 39,350,659

Footnotes:
See individual worksheets for methodologies.

EXHIBIT 3

DEPARTMENT OF CORRECTIONS AND REHABILITATION
DIVISION OF CORRECTIONAL HEALTH CARE SERVICES

SAVINGS ASSOCIATED WITH CONVERTING MEDICAL TECHNICAL ASSISTANT TO REGISTERED NURSE AND LICENSED VOCATIONAL NURSE FOR FISCAL YEAR 2006/07

PAY DIFFERENTIALS ARE INCLUDED IN MTA SALARY AVERAGES

Salaries =>		$ 5,682	$ 7,045	$ 3,385							
Salary for vacant MTA positions =>		$ 5,171									
Institution	Authorized MTA Positions	MTA Total Salaries Salary Avg	RN Total Salaries Min Step	LVN Total Salaries Min step	Monthly Savings Tied to Hiring RN/LVNs	Annual Savings Tied to Hiring RN/LVNs	Monthly MTA Retirement Benefit	Monthly RN/LNV Retirement Benefit	Monthly Retirement Savings	Annual Retirement Savings	Annual Savings for the Current Fiscal Year
ASP Filled Positions	18.0	$ 102,276	$ -	$ 60,930	$ 41,346	$ 496,152	$ 24,546	$ 10,882	$ 13,664	$ 163,970	$ 660,122
ASP Vacant Positions	14.0	$ 72,549	$ -	$ 47,492	$ 25,058	$ 300,691	$ 17,412	$ 8,482	$ 8,930	$ 107,158	$ 407,849
CAL Filled Positions	16.0	$ 90,912	$ -	$ 54,160	$ 36,752	$ 441,024	$ 21,819	$ 9,673	$ 12,146	$ 145,751	$ 586,775
CAL Vacant Positions	9.9	$ 51,193	$ -	$ 33,512	$ 17,681	$ 212,177	$ 12,286	$ 5,985	$ 6,301	$ 75,614	$ 287,791
CCC Filled Positions	17.0	$ 96,594	$ -	$ 57,545	$ 39,049	$ 468,588	$ 23,183	$ 10,278	$ 12,905	$ 154,860	$ 623,448
CCC Vacant Positions	1.8	$ 9,204	$ -	$ 6,025	$ 3,179	$ 38,149	$ 2,209	$ 1,076	$ 1,133	$ 13,595	$ 51,744
CCI Filled Positions	24.0	$ 136,368	$ -	$ 81,240	$ 55,128	$ 661,536	$ 32,728	$ 14,509	$ 18,219	$ 218,626	$ 880,162
CCI Vacant Positions	18.4	$ 95,353	$ -	$ 62,419	$ 32,934	$ 395,206	$ 22,885	$ 11,148	$ 11,737	$ 140,840	$ 536,046
CCWF Filled Positions	29.9	$ 169,835	$ 7,045	$ 94,133	$ 68,657	$ 823,888	$ 40,760	$ 18,188	$ 22,572	$ 270,869	$ 1,094,757
CCWF Vacant Positions	10.4	$ 53,778	$ -	$ 35,204	$ 18,574	$ 222,893	$ 12,907	$ 6,287	$ 6,619	$ 79,433	$ 302,325
CEN Filled Positions	22.0	$ 125,004	$ -	$ 74,470	$ 50,534	$ 606,408	$ 30,001	$ 13,300	$ 16,701	$ 200,407	$ 806,815
CEN Vacant Positions	10.7	$ 55,433	$ -	$ 36,287	$ 19,146	$ 229,751	$ 13,304	$ 6,481	$ 6,823	$ 81,877	$ 311,628
CIM Filled Positions	82.0	$ 465,924	$ -	$ 277,570	$ 188,354	$ 2,260,248	$ 111,822	$ 49,574	$ 62,248	$ 746,973	$ 3,007,221
CIM Vacant Positions	7.9	$ 41,006	$ -	$ 26,843	$ 14,163	$ 169,956	$ 9,841	$ 4,794	$ 5,047	$ 60,567	$ 230,523
CIW Filled Positions	14.6	$ 82,673	$ -	$ 49,252	$ 33,421	$ 401,056	$ 19,842	$ 8,796	$ 11,045	$ 132,542	$ 533,598
CIW Vacant Positions	0.5	$ 2,586	$ -	$ 1,693	$ 893	$ 10,716	$ 621	$ 302	$ 318	$ 3,819	$ 14,535
CMC Filled Positions	31.0	$ 176,142	$ -	$ 104,935	$ 71,207	$ 854,484	$ 42,274	$ 18,741	$ 23,533	$ 282,392	$ 1,136,876
CMC Vacant Positions	25.4	$ 131,343	$ -	$ 85,979	$ 45,364	$ 544,373	$ 31,522	$ 15,356	$ 16,167	$ 193,999	$ 738,372
CMF Filled Positions	53.0	$ 301,146	$ -	$ 179,405	$ 121,741	$ 1,460,892	$ 72,275	$ 32,042	$ 40,233	$ 482,800	$ 1,943,692
CMF Vacant Positions	40.1	$ 207,254	$ -	$ 135,671	$ 71,583	$ 858,995	$ 49,741	$ 24,231	$ 25,510	$ 306,121	$ 1,165,115
COR Filled Positions	32.0	$ 181,824	$ -	$ 108,320	$ 73,504	$ 882,048	$ 43,638	$ 19,346	$ 24,292	$ 291,502	$ 1,173,550
COR Vacant Positions	18.1	$ 93,388	$ -	$ 61,133	$ 32,255	$ 387,062	$ 22,413	$ 10,918	$ 11,495	$ 137,938	$ 525,000
CRC Filled Positions	19.0	$ 107,958	$ -	$ 64,315	$ 43,643	$ 523,716	$ 25,910	$ 11,487	$ 14,423	$ 173,079	$ 696,795
CRC Vacant Positions	4.3	$ 22,287	$ -	$ 14,589	$ 7,698	$ 92,372	$ 5,349	$ 2,606	$ 2,743	$ 32,919	$ 125,291
CTF Filled Positions	7.0	$ 39,774	$ -	$ 23,695	$ 16,079	$ 192,948	$ 9,546	$ 4,232	$ 5,314	$ 63,766	$ 256,714
CTF Vacant Positions	23.1	$ 119,450	$ -	$ 78,194	$ 41,257	$ 495,079	$ 28,668	$ 13,965	$ 14,703	$ 176,432	$ 671,511
CVSP Filled Positions	12.0	$ 68,184	$ -	$ 40,620	$ 27,564	$ 330,768	$ 16,364	$ 7,255	$ 9,109	$ 109,313	$ 440,081
CVSP Vacant Positions	8.6	$ 44,522	$ -	$ 29,145	$ 15,377	$ 184,530	$ 10,685	$ 5,205	$ 5,480	$ 65,761	$ 250,291
DVI Filled Positions	17.0	$ 96,594	$ -	$ 57,545	$ 39,049	$ 468,588	$ 23,183	$ 10,278	$ 12,905	$ 154,860	$ 623,448
DVI Vacant Positions	15.5	$ 80,099	$ -	$ 52,434	$ 27,665	$ 331,982	$ 19,224	$ 9,365	$ 9,859	$ 118,309	$ 450,290
FSP Filled Positions	20.0	$ 113,640	$ -	$ 67,700	$ 45,940	$ 551,280	$ 27,274	$ 12,091	$ 15,182	$ 182,189	$ 733,469
FSP Vacant Positions	5.0	$ 25,855	$ -	$ 16,925	$ 8,930	$ 107,160	$ 6,205	$ 3,023	$ 3,182	$ 38,189	$ 145,349
HDSP Filled Positions	27.0	$ 153,300	$ 7,045	$ 84,282	$ 61,973	$ 743,677	$ 36,792	$ 16,429	$ 20,363	$ 244,361	$ 988,037
HDSP Vacant Positions	6.1	$ 31,543	$ 7,045	$ 13,604	$ 10,895	$ 130,735	$ 7,570	$ 3,805	$ 3,765	$ 45,178	$ 175,914
ISP Filled Positions	18.0	$ 102,276	$ -	$ 60,930	$ 41,346	$ 496,152	$ 24,546	$ 10,882	$ 13,664	$ 163,970	$ 660,122
ISP Vacant Positions	3.2	$ 16,340	$ -	$ 10,697	$ 5,644	$ 67,725	$ 3,922	$ 1,910	$ 2,011	$ 24,135	$ 91,860

DEPARTMENT OF CORRECTIONS AND REHABILITATION
DIVISION OF CORRECTIONAL HEALTH CARE SERVICES

SAVINGS ASSOCIATED WITH CONVERTING MEDICAL TECHNICAL ASSISTANT TO REGISTERED NURSE AND LICENSED VOCATIONAL NURSE FOR FISCAL YEAR 2006/07

PAY DIFFERENTIALS ARE INCLUDED IN MTA SALARY AVERAGES

		Salaries =>	$ 5,682	$ 7,045	$ 3,385							
		Salary for vacant MTA positions =>	$ 5,171									
Institution	Authorized MTA Positions	MTA Total Salaries Salary Avg	RN Total Salaries Min Step	LVN Total Salaries Min step	Monthly Savings Tied to Hiring RN/LVNs	Annual Savings Tied to Hiring RN/LVNs	Monthly MTA Retirement Benefit	Monthly RN/LNV Retirement Benefit	Monthly Retirement Savings	Annual Retirement Savings	Annual Savings for the Current Fiscal Year
KVSP Filled Positions	9.0	$ 51,138	$ -	$ 30,465	$ 20,673	$ 248,076	$ 12,273	$ 5,441	$ 6,832	$ 81,985	$ 330,061
KVSP Vacant Positions	9.7	$ 50,159	$ -	$ 32,835	$ 17,324	$ 207,890	$ 12,038	$ 5,864	$ 6,174	$ 74,086	$ 281,977
LAC Filled Positions	32.0	$ 181,824	$ 7,045	$ 101,275	$ 73,504	$ 882,048	$ 43,638	$ 19,464	$ 24,174	$ 290,090	$ 1,172,138
LAC Vacant Positions	13.0	$ 67,016	$ -	$ 43,870	$ 23,147	$ 277,759	$ 16,084	$ 7,835	$ 8,249	$ 98,985	$ 376,744
MCSP Filled Positions	22.0	$ 125,004	$ -	$ 74,470	$ 50,534	$ 606,408	$ 30,001	$ 13,300	$ 16,701	$ 200,407	$ 806,815
MCSP Vacant Positions	5.2	$ 27,096	$ 12,416	$ 5,321	$ 9,359	$ 112,304	$ 6,503	$ 3,375	$ 3,128	$ 37,534	$ 149,837
NKSP Filled Positions	33.0	$ 187,392	$ -	$ 111,637	$ 75,755	$ 909,061	$ 44,974	$ 19,938	$ 25,036	$ 300,429	$ 1,209,490
NKSP Vacant Positions	2.7	$ 13,962	$ -	$ 9,140	$ 4,822	$ 57,866	$ 3,351	$ 1,632	$ 1,718	$ 20,622	$ 78,488
PBSP Filled Positions	29.0	$ 164,778	$ -	$ 98,165	$ 66,613	$ 799,356	$ 39,547	$ 17,532	$ 22,014	$ 264,173	$ 1,063,529
PBSP Vacant Positions	2.7	$ 13,962	$ -	$ 9,140	$ 4,822	$ 57,866	$ 3,351	$ 1,632	$ 1,718	$ 20,622	$ 78,488
PVSP Filled Positions	21.0	$ 119,322	$ -	$ 71,085	$ 48,237	$ 578,844	$ 28,637	$ 12,696	$ 15,941	$ 191,298	$ 770,142
PVSP Vacant Positions	17.6	$ 90,803	$ -	$ 59,441	$ 31,362	$ 376,346	$ 21,793	$ 10,616	$ 11,177	$ 134,119	$ 510,465
RJD Filled Positions	26.0	$ 147,732	$ -	$ 88,010	$ 59,722	$ 716,664	$ 35,456	$ 15,719	$ 19,737	$ 236,845	$ 953,509
RJD Vacant Positions	16.5	$ 85,322	$ -	$ 55,853	$ 29,469	$ 353,628	$ 20,477	$ 9,975	$ 10,502	$ 126,023	$ 479,651
SAC Filled Positions	23.0	$ 130,686	$ -	$ 77,855	$ 52,831	$ 633,972	$ 31,365	$ 13,905	$ 17,460	$ 209,517	$ 843,489
SAC Vacant Positions	11.4	$ 59,053	$ -	$ 38,657	$ 20,396	$ 244,753	$ 14,173	$ 6,904	$ 7,269	$ 87,223	$ 331,977
SATF Filled Positions	24.0	$ 136,368	$ -	$ 81,240	$ 55,128	$ 661,536	$ 32,728	$ 14,509	$ 18,219	$ 218,626	$ 880,162
SATF Vacant Positions	16.8	$ 87,028	$ -	$ 56,970	$ 30,058	$ 360,701	$ 20,887	$ 10,175	$ 10,712	$ 128,543	$ 489,244
SCC Filled Positions	13.0	$ 73,866	$ -	$ 44,005	$ 29,861	$ 358,332	$ 17,728	$ 7,859	$ 9,869	$ 118,423	$ 476,755
SCC Vacant Positions	4.4	$ 22,752	$ 7,571	$ 7,323	$ 7,858	$ 94,301	$ 5,461	$ 2,787	$ 2,674	$ 32,089	$ 126,390
SOL Filled Positions	20.0	$ 113,640	$ -	$ 67,700	$ 45,940	$ 551,280	$ 27,274	$ 12,091	$ 15,182	$ 182,189	$ 733,469
SOL Vacant Positions	11.3	$ 58,432	$ -	$ 38,251	$ 20,182	$ 242,182	$ 14,024	$ 6,832	$ 7,192	$ 86,307	$ 328,488
SQ Filled Positions	26.0	$ 147,732	$ -	$ 88,010	$ 59,722	$ 716,664	$ 35,456	$ 15,719	$ 19,737	$ 236,845	$ 953,509
SQ Vacant Positions	20.0	$ 103,472	$ -	$ 67,734	$ 35,738	$ 428,854	$ 24,833	$ 12,097	$ 12,736	$ 152,831	$ 581,686
SVSP Filled Positions	3.0	$ 17,046	$ -	$ 10,155	$ 6,891	$ 82,692	$ 4,091	$ 1,814	$ 2,277	$ 27,328	$ 110,020
SVSP Vacant Positions	30.1	$ 155,440	$ -	$ 101,753	$ 53,687	$ 644,246	$ 37,306	$ 18,173	$ 19,133	$ 229,591	$ 873,837
VSPW Filled Positions	25.0	$ 141,993	$ -	$ 84,591	$ 57,402	$ 688,824	$ 34,078	$ 15,108	$ 18,970	$ 227,645	$ 916,469
VSPW Vacant Positions	3.6	$ 18,822	$ -	$ 12,321	$ 6,501	$ 78,012	$ 4,517	$ 2,201	$ 2,317	$ 27,801	$ 105,814
WSP Filled Positions	23.0	$ 130,686	$ -	$ 77,855	$ 52,831	$ 633,972	$ 31,365	$ 13,905	$ 17,460	$ 209,517	$ 843,489
WSP Vacant Positions	9.7	$ 50,159	$ 49,315	$ (16,481)	$ 17,324	$ 207,890	$ 12,038	$ 6,688	$ 5,350	$ 64,203	$ 272,094
TOTALS	**1,186.1**	**$ 6,536,294**	**$ 97,482**	**$ 3,917,534**	**$ 2,521,278**	**$ 30,255,331**	**$ 1,568,711**	**$ 718,710**	**$ 850,001**	**$ 10,200,008**	**$ 40,455,339**

Footnotes:
1--Savings displayed on this spreadsheet are calculated based a full 12 months of activation. This version includes the MTA base salary plus pay differentials (ie, physical fitness & senior peace officer pay).
2--MTA salary for filled positions is the average salary for occupants in the classification as of October 27, 2006. MTAs working in Division of Juvenile Facilities positions are not figured in this average. MTA salary for vacant positions is figured at mid-step. This salary does not include pay differentials as we cannot predict what new incumbents will receive.
3--LVN and RN salaries are taken from the memo, "Medical Technical Assistant/Licensed Vocational Nurse Conversion," dated 9/05/06. Bottom step is used for all prisons. $3,800 LVN monthly salary and $7,766 RN monthly salary is used for the three Bay Area prisons (CTF, SQ and SVSP).
4--To date, 11.0 MTA positions have been converted to RN and 2.64 MTA positions have been converted to SRN II (MCSP and SCC). The non-Bay Area salary of $7571 is used for the SRN II positions.
5--The retirement benefit for MTA is calculated at 24.00 percent of salaries and wages.
6--The retirement benefit for LVN is calculated at 17.86 percent of salaries and wages. This percentage is based on costing "6C999LVN."
7--The retirement benefit for RN is calculated at 19.53 percent of salaries and wages. This percentage is based on costing "16RN."

EXHIBIT 4

DEPARTMENT OF CORRECTIONS AND REHABILITATION
DIVISION OF CORRECTIONAL HEALTH CARE SERVICES

SAVINGS ASSOCIATED WITH CONVERTING SENIOR MEDICAL TECHNICAL ASSISTANTS TO SUPERVISING REGISTERED NURSE II FOR FISCAL YEAR 2006/07

PAY DIFFERENTIALS ARE INCLUDED IN SR MTA SALARY AVERAGES

		Salaries =>	$ 6,787	$ 7,571							
		Salary for vacant Sr MTA positions =>	$ 5,503								
Institution	Authorized Sr MTA Positions	Sr MTA Total Salaries Salary Avg	SRN II Total Salaries Min step	Monthly Savings Tied to Hiring SRN IIs	Annual Savings Tied to Hiring SRN IIs	Monthly Sr MTA Retirement Benefit	Monthly SRN II Retirement Benefit	Monthly Retirement Savings	Annual Retirement Savings	Annual Savings for the Current Fiscal Year
ASP Filled Positions	2.0	$ 13,574	$ 15,142	$ (1,568)	$ (18,816)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (14,463)
ASP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CAL Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
CAL Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCC Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
CCC Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCI Filled Positions	3.0	$ 20,361	$ 22,713	$ (2,352)	$ (28,224)	$ 4,648	$ 4,104	$ 544	$ 6,530	$ (21,694)
CCI Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCWF Filled Positions	3.0	$ 20,361	$ 22,713	$ (2,352)	$ (28,224)	$ 4,648	$ 4,104	$ 544	$ 6,530	$ (21,694)
CCWF Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CEN Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
CEN Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
CIM Filled Positions	5.0	$ 33,935	$ 37,855	$ (3,920)	$ (47,040)	$ 7,747	$ 6,840	$ 907	$ 10,884	$ (36,156)
CIM Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
CIW Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
CIW Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CMC Filled Positions	3.0	$ 20,361	$ 22,713	$ (2,352)	$ (28,224)	$ 4,648	$ 4,104	$ 544	$ 6,530	$ (21,694)
CMC Vacant Positions	2.0	$ 11,006	$ 15,142	$ (4,136)	$ (49,632)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (45,279)
CMF Filled Positions	4.0	$ 27,148	$ 30,284	$ (3,136)	$ (37,632)	$ 6,198	$ 5,472	$ 726	$ 8,707	$ (28,925)
CMF Vacant Positions	4.1	$ 22,562	$ 31,041	$ (8,479)	$ (101,746)	$ 6,353	$ 5,609	$ 744	$ 8,925	$ (92,821)
COR Filled Positions	3.0	$ 20,361	$ 22,713	$ (2,352)	$ (28,224)	$ 4,648	$ 4,104	$ 544	$ 6,530	$ (21,694)
COR Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
CRC Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CRC Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
CTF Filled Positions	2.0	$ 13,574	$ 16,690	$ (3,116)	$ (37,392)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (33,039)
CTF Vacant Positions	2.0	$ 11,006	$ 16,690	$ (5,684)	$ (68,208)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (63,855)
CVSP Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
CVSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DVI Filled Positions	2.0	$ 13,574	$ 15,142	$ (1,568)	$ (18,816)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (14,463)
DVI Vacant Positions	0.5	$ 2,752	$ 3,786	$ (1,034)	$ (12,408)	$ 775	$ 684	$ 91	$ 1,088	$ (11,320)
FSP Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FSP Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
HDSP Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
HDSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ISP Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
ISP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

DEPARTMENT OF CORRECTIONS AND REHABILITATION
DIVISION OF CORRECTIONAL HEALTH CARE SERVICES

SAVINGS ASSOCIATED WITH CONVERTING SENIOR MEDICAL TECHNICAL ASSISTANTS TO SUPERVISING REGISTERED NURSE II FOR FISCAL YEAR 2006/07

PAY DIFFERENTIALS ARE INCLUDED IN SR MTA SALARY AVERAGES

Salaries =>		**$ 6,787**	**$ 7,571**							
Salary for vacant Sr MTA positions =>		**$ 5,503**								
Institution	**Authorized Sr MTA Positions**	**Sr MTA Total Salaries** **Salary Avg**	**SRN II Total Salaries** **Min step**	**Monthly Savings Tied to Hiring SRN IIs**	**Annual Savings Tied to Hiring SRN IIs**	**Monthly Sr MTA Retirement Benefit**	**Monthly SRN II Retirement Benefit**	**Monthly Retirement Savings**	**Annual Retirement Savings**	**Annual Savings for the Current Fiscal Year**
KVSP Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
KVSP Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
LAC Filled Positions	2.0	$ 13,574	$ 15,142	$ (1,568)	$ (18,816)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (14,463)
LAC Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
MCSP Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
MCSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NKSP Filled Positions	2.0	$ 13,574	$ 15,142	$ (1,568)	$ (18,816)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (14,463)
NKSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PBSP Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PBSP Vacant Positions	3.0	$ 16,509	$ 22,713	$ (6,204)	$ (74,448)	$ 4,648	$ 4,104	$ 544	$ 6,530	$ (67,918)
PVSP Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
PVSP Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
RJD Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
RJD Vacant Positions	2.0	$ 11,006	$ 15,142	$ (4,136)	$ (49,632)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (45,279)
SAC Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SAC Vacant Positions	2.0	$ 11,006	$ 15,142	$ (4,136)	$ (49,632)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (45,279)
SATF Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
SATF Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
SCC Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
SCC Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SOL Filled Positions	2.0	$ 13,574	$ 15,142	$ (1,568)	$ (18,816)	$ 3,099	$ 2,736	$ 363	$ 4,353	$ (14,463)
SOL Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SQ Filled Positions	3.0	$ 20,361	$ 25,035	$ (4,674)	$ (56,088)	$ 4,648	$ 4,104	$ 544	$ 6,530	$ (49,558)
SQ Vacant Positions	1.0	$ 5,503	$ 8,345	$ (2,842)	$ (34,104)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (31,927)
SVSP Filled Positions	1.0	$ 6,787	$ 8,345	$ (1,558)	$ (18,696)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (16,519)
SVSP Vacant Positions	1.0	$ 5,503	$ 8,345	$ (2,842)	$ (34,104)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (31,927)
VSPW Filled Positions	1.0	$ 6,787	$ 7,571	$ (784)	$ (9,408)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (7,231)
VSPW Vacant Positions	1.0	$ 5,503	$ 7,571	$ (2,068)	$ (24,816)	$ 1,549	$ 1,368	$ 181	$ 2,177	$ (22,639)
WSP Filled Positions	3.0	$ 20,361	$ 22,713	$ (2,352)	$ (28,224)	$ 4,648	$ 4,104	$ 544	$ 6,530	$ (21,694)
WSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTALS	**80.6**	**$ 512,878**	**$ 617,963**	**$ (105,085)**	**$ (1,261,018)**	**$ 124,887**	**$ 110,267**	**$ 14,620**	**$ 175,443**	**$ (1,085,575)**

Footnotes:
1--Savings displayed on this spreadsheet are calculated based a full 12 months of activation. This version includes the Sr MTA base salary plus pay differentials (ie, physical fitness & senior peace officer pay).
2--Sr MTA salary for filled positions is the average salary for occupants in the classification as of October 27, 2006. Sr MTA salary for vacant positions is figured at bottom step. This salary does not include pay differentials as we cannot predict what new incumbents will receive.
3--SRN II salary is taken from the chart of proposed salaries, dated 8/07/06. Bottom step is used for all prisons. $8,345 SRN II monthly salary is used for the three Bay Area prisons (CTF, SQ and SVSP).
4--The retirement benefit for Sr MTA is calculated at 22.83 percent of salaries and wages.
5--The retirement benefit for SRN II is calculated at 18.07 percent of salaries and wages.

EXHIBIT 5

DEPARTMENT OF CORRECTIONS AND REHABILITATION
DIVISION OF CORRECTIONAL HEALTH CARE SERVICES

SAVINGS ASSOCIATED WITH CONVERTING HEALTH PROGRAM COORDINATORS TO SUPERVISING REGISTERED NURSE II FOR FISCAL YEAR 2006/07

PAY DIFFERENTIALS ARE INCLUDED IN HPC SALARY AVERAGES

		Salaries =>	$ 7,687	$ 7,571							
		Salary for vacant HPC positions =>	$ 6,195								
Institution	Authorized HPC Positions	HPC Total Salaries Salary Avg	SRN II Total Salaries Min step	Monthly Savings Tied to Hiring SRN IIs	Annual Savings Tied to Hiring SRN IIs	Monthly HPC Retirement Benefit	Monthly SRN II Retirement Benefit	Monthly Retirement Savings	Annual Retirement Savings	Annual Savings for the Current Fiscal Year
CIW Filled Positions	1.0	$ 7,687	$ 7,571	$ 116	$ 1,392	$ 1,727	$ 1,368	$ 358	$ 4,301	$ 5,693
CIW Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CMF Filled Positions	2.0	$ 15,374	$ 15,142	$ 232	$ 2,784	$ 3,453	$ 2,736	$ 717	$ 8,602	$ 11,386
CMF Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COR Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COR Vacant Positions	1.0	$ 6,195	$ 7,571	$ (1,376)	$ (16,512)	$ 1,727	$ 1,368	$ 358	$ 4,301	$ (12,211)
CRC Filled Positions	1.0	$ 7,687	$ 7,571	$ 116	$ 1,392	$ 1,727	$ 1,368	$ 358	$ 4,301	$ 5,693
CRC Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CVSP Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CVSP Vacant Positions	1.0	$ 6,195	$ 7,571	$ (1,376)	$ (16,512)	$ 1,727	$ 1,368	$ 358	$ 4,301	$ (12,211)
DVI Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DVI Vacant Positions	1.0	$ 6,195	$ 7,571	$ (1,376)	$ (16,512)	$ 1,727	$ 1,368	$ 358	$ 4,301	$ (12,211)
FSP Filled Positions	1.0	$ 7,687	$ 7,571	$ 116	$ 1,392	$ 1,727	$ 1,368	$ 358	$ 4,301	$ 5,693
FSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HDSP Filled Positions	1.0	$ 7,687	$ 7,571	$ 116	$ 1,392	$ 1,727	$ 1,368	$ 358	$ 4,301	$ 5,693
HDSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NKSP Filled Positions	1.0	$ 7,687	$ 7,571	$ 116	$ 1,392	$ 1,727	$ 1,368	$ 358	$ 4,301	$ 5,693
NKSP Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SAC Filled Positions	1.0	$ 7,687	$ 7,571	$ 116	$ 1,392	$ 1,727	$ 1,368	$ 358	$ 4,301	$ 5,693
SAC Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SOL Filled Positions	1.0	$ 7,687	$ 7,571	$ 116	$ 1,392	$ 1,727	$ 1,368	$ 358	$ 4,301	$ 5,693
SOL Vacant Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SVSP Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SVSP Vacant Positions	1.0	$ 6,195	$ 8,345	$ (2,150)	$ (25,800)	$ 1,727	$ 1,368	$ 358	$ 4,301	$ (21,499)
WSP Filled Positions	0.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
WSP Vacant Positions	1.0	$ 6,195	$ 7,571	$ (1,376)	$ (16,512)	$ 1,727	$ 1,368	$ 358	$ 4,301	$ (12,211)
TOTALS	**14.0**	**$ 100,158**	**$ 106,768**	**$ (6,610)**	**$ (79,320)**	**$ 24,171**	**$ 19,153**	**$ 5,018**	**$ 60,215**	**$ (19,105)**

Footnotes:
1--Savings displayed on this spreadsheet are calculated based a full 12 months of activation. This version includes the HPC base salary plus pay differentials (ie, physical fitness & senior peace officer pay).
2--HPC salary used is the average salary for occupants in the classification as of October 27, 2006. HPC salary for vacant positions is figured at bottom step. This salary does not include pay differentials as we cannot predict what new incumbents will receive.
3--SRN II salary is taken from the chart of proposed salaries, dated 8/07/06. Bottom step is used for all prisons. $8,345 SRN II monthly salary is used for the three Bay Area prisons (CTF, SQ and SVSP).
4--The retirement benefit for HPC is calculated at 22.46 percent of salaries and wages. Used retirement percentage for equivelant classification of CCII-Supervisor.
5--The retirement benefit for SRN II is calculated at 18.07 percent of salaries and wages.

EXHIBIT 6

HEALTH CARE SCREENING FOR OUT OF STATE PLACEMENT

STATE OF CALIFORNIA DEPARTMENT OF CORRECTIONS & REHABILITATION
CONFIDENTIAL MEDICAL INFORMATION

Current Institution	Inmate Name (Last, First, MI)	CDCR Number
Allergies: No known allergies ☐	DOB:	Date of Screening

SIGNIFICANT MEDICAL /DENTAL/MENTAL HEALTH PROBLEMS

(e.g. suicide attempts, dental needs, special diet, pending or incomplete consults, laboratory test, x-rays)	Chronic Care Program (list type)	Date of Last Visit

Date of Last Physical: Dental Condition (priority 1 or 2): ☐ Yes ☐ No

Mental Health Level of Care: ☐ None ☐ CCCMS ☐ EOP ☐ MHCB Suicide History: ☐ Yes ☐ No

Disability 1845: ☐ Yes ☐ No Developmental Disability 128C-2: ☐ Yes ☐ No

Prosthetic device? ☐ Yes ☐ No Type:

Medical Chronos reviewed? ☐ Yes ☐ No Type of Chrono:

CURRENT MEDICATION PRESCRIBED

MAR Attached ☐ Yes ☐ No ☐ N/A	Pharmacy Profile Attached ☐ Yes ☐ No ☐ N/A	Medication Education Provided ☐ Yes ☐ No ☐ N/A

Name of Medication (include TB) No Medication ☐	Dose	Route	Frequency	Start Date	Stop Date	Heat Ri Medica

DIAGNOSTIC TEST PERFORMED

Tuberculosis Chest X-ray

PPD Test _____mm Date Read _____ ☐ Normal ☐Abnormal N/A Date Read _____

MISC TEST

RPR/VDRL ☐ ☐ Reactive ☐ Non-reactive Treated? ☐ Yes ☐ No Date Treated: _____

Hepatitis: ☐ Positive ☐ Negative ☐ N/A Type: _____ Treated? ☐ Yes ☐ No Date Treated? _____

Other screening test results & date	Other Laboratory Data

Pending Medical Health Appointments ☐	Date	Attachments: ☐ Yes ☐ No
☐ Chronic Care		
☐ Specialty		
☐ Other:		

Comments:

Approved _____ Patient is approved for participation COCF

Disapproved _____ a significant health care condition excludes participation in COCF

Chart Review Only RN: _____ Date: _____

Assessment completed by RN: _____ Date: _____
Signature/Title

Reviewed By PCP: _____ Date: _____
Signature/Title

Form distribution: white to UHR, yellow to C-file, pink to patient, gold to file

EXHIBIT 7

DIVISION OF CORRECTIONAL HEALTH CARE SERVICES
P.O. Box 942883
Sacramento, CA 94283-0001

To: Terry Hill, MD
John Hagar

From: Jackie Clark, RN
Director of Nursing Operation CDCR DHCS

Date: November 29, 2006

Re: Nursing Workload and cost for Out-of-State Transfer

As the Director of Nursing Operation, I have coordinated the Out-of-State Transfers for the CDCR Division of Health Care Services. The regional nursing leadership team of Karen Rea, RN (Regional Director of Nursing, Central Region), Susan Scott, RN (Regional Director of Nursing, Southern Region), Jane Robinson, RN (Regional Director of Nursing, Northern Region), Rosa Vasquez, RN (Long Term Care Coordinator), and the Regional Nurse Consultant Program Review (NCPR) staff have worked with Tim Rougeux (Project Director, Medical Programs Implementation) to ensure the success of this effort.

Nursing has been involved in most aspects of this project. The following summary outlines the activities that were required and the nursing time involved. Nursing leadership worked with Tim Rougeux to write the policy and create the screening tool for the Out-of-State Transfer (see attachment).

The process requires a Unit Health Record (UHR) review, a face-to-face nursing assessment, documentation of the assessment in the UHR, and completion of an Out-of-State Transfer Screening Form. In order to achieve consistent results, a team of nurses from the regions conducted screenings and trained facility staff to complete additional screenings. Regional Nurse Consultant Program Review nurses, the Director of Nurses Operations, and the Regional Directors of Nurses at each of the three regions participated in site visits, training, and patient screening. Extensive time and travel have been required.

For the Tennessee transfers, each Regional DON has worked with her facilities to ensure that the inmates' UHR was copied. Pharmacy staff filled 7-day supplies of medication, if indicated, prior to the transfer of the inmates. The Central Region DON faxed all 80 screening forms to the Health Care Administrator in Mason, Tennessee, the day before the inmates were transferred.

The screening process started on October 16, 2006. As of today, 458 inmates have been screened. Each screening required approximately 30 minutes for a total of 351 nursing hours. Approximately 138 hours have been spent writing policy, creating the screening tool, and providing training to staff on the Out-of-State Transfer Screening process. Approximately 317

hours have been spent in travel time to the various CDCR prisons to conduct both the screening and assessment and to the out-of-state prisons for site visits. Jane Robinson and I have spent at least 120 hours traveling out of state to conduct site visits in Tennessee, Oklahoma, and Indiana. Rebecca Craig, RN (Field Representative, Corrections Standards Authority), assisted the site visits to Oklahoma and Indiana. We are currently scheduled to visit the Arizona facility the week of December 4th.

The following table gives further details of the hours and cost for these 806 nursing hours:

Personnel	Travel In-State and for Out-of-State Site Visits	Health Records Review and Physical Assessment	Training of Nursing Staff on Policy and process	Estimated Cost
4 Regional Directors of Nursing	126 hours @$75 = 9,450	146 hours @$150 =21,900	78 hours @150 = 1,1700	$43,050.00
Southern NCPR & RN	46 hours @ 50	78 hours @ 50	22 hours @ 50	$7,300.00
Central NCPR & RN	58 hours @ 50	84 hours @ 50	25 hours @ 50	$8,350.00
Northern NCPR & RN	36 hours @ 50	43 hours @ 50	13 hours @ 50	$4,600.00
Rebecca Craig RN	51 hours @ 65			$3,351.00
	317 hours	351 hours	138 hours	**$66,651.00**

Not included above is the time of Tim Rougeux, who spent well over 100 hours on transfers of medical inmate-patients, in addition to the time he spent on transfers of mental health inmate-patients. He has been meeting with CDCR management and legal staff and a host of others to assist in the keeping HCSD informed of the out-of-state activities.

Also not included is the extensive time spent by health records, pharmacy, and custody staff.

The Division of CDCR Health Care Services will continue to ensure that all inmates who are referred and cleared by custody staff will be screened and assessed per policy. If we can provide you with other information please do not hesitate to contact me

EXHIBIT 8

STATE OF CALIFORNIA—DEPARTMENT OF CORRECTIONS AND REHABILITATION ARNOLD SCHWARZENEGGER, Governor

OFFICE OF THE SECRETARY
1515 S Street, Sacramento, CA 95814
P.O. Box 942883
Sacramento, CA 94283-0001

November 1, 2006

Mr. Robert Sillen
California Prison Health Care Receivership Corporation
1731 Technology Drive, Suite 700
San Jose, CA 95110

Dear Mr. Sillen:

On October 19, 2006, you requested the California Department of Corrections and Rehabilitation (CDCR) develop and submit a staffing plan to site, design, and construct 10,000 medical beds. The following assumptions were used in determining this staffing plan:

- A consultant will be hired by your office to determine the type and number of medical beds to be designed and constructed. The product is expected to be completed within six months.
- The 10,000 beds will consist of 5,000 medical beds and 5,000 mental health beds.
- The new beds will be located on seven sites; California State Prison (CSP), Sacramento; CSP, Los Angeles County; California Men's Colony; California Institution for Men; Richard J. Donovan Correctional Facility; Deuel Vocational Institution; and Fred C. Nelles, the former youth facility.
- All projects must start concurrently and as soon as possible.
- Oversight of CDCR's program delivery organization will be conducted by the Office of the Receiver.
- All of the projects will adhere to the requirements of the California Environmental Quality Act.

The Office of Facilities Management (OFM) has extensive experience with planning, designing, and constructing new prison facilities. The OFM uses a Project Team model and utilizes private

and public partnerships to manage, deliver, and activate new large-scale projects. The Project Team model is portrayed in Exhibit 1. The OFM proposes to do the same for the 10,000 bed program by:

- Creating of a new Branch, the Health Care Capital Outlay Program, to be headed by an Assistant Deputy Director who will report directly to the Deputy Director of OFM. The new Branch will consist of the new Assistant Deputy Director, as well as clerical and analytical support. Exhibit 2 represents the proposed organization chart.

- Creating seven new project teams, each one reporting to the Assistant Deputy Director. Each team will be led by a Project Director who will be assisted by an analytical support staff, and the teams will have clerical support. Exhibit 3 represents the proposed organizational chart.

- Each team will be supported by staff from contracts, procurement, design standards, telecommunications, radios, capital budgeting, real estate services, environmental services, legal, personnel, accounting, and information technology services.

- The teams will also be supported by consultant staff and private contractors who will perform program management services, environmental services, design, construction, construction management, and construction inspection services.

Approximately 130 staff will be needed to plan, design, and construct these new facilities. Some staff are required immediately, such as the Assistant Deputy Director, Project Director, and environmental staff, while others will be hired when needed (i.e., warehouse and activation staff). A brief description of the staff, duties, and responsibilities is listed in Exhibit 4. At least $4.0 million will be required for environmental services, and $1.0 million will be annually required for project management services.

If you have any questions or need additional information, please contact me (916) 323-6001.

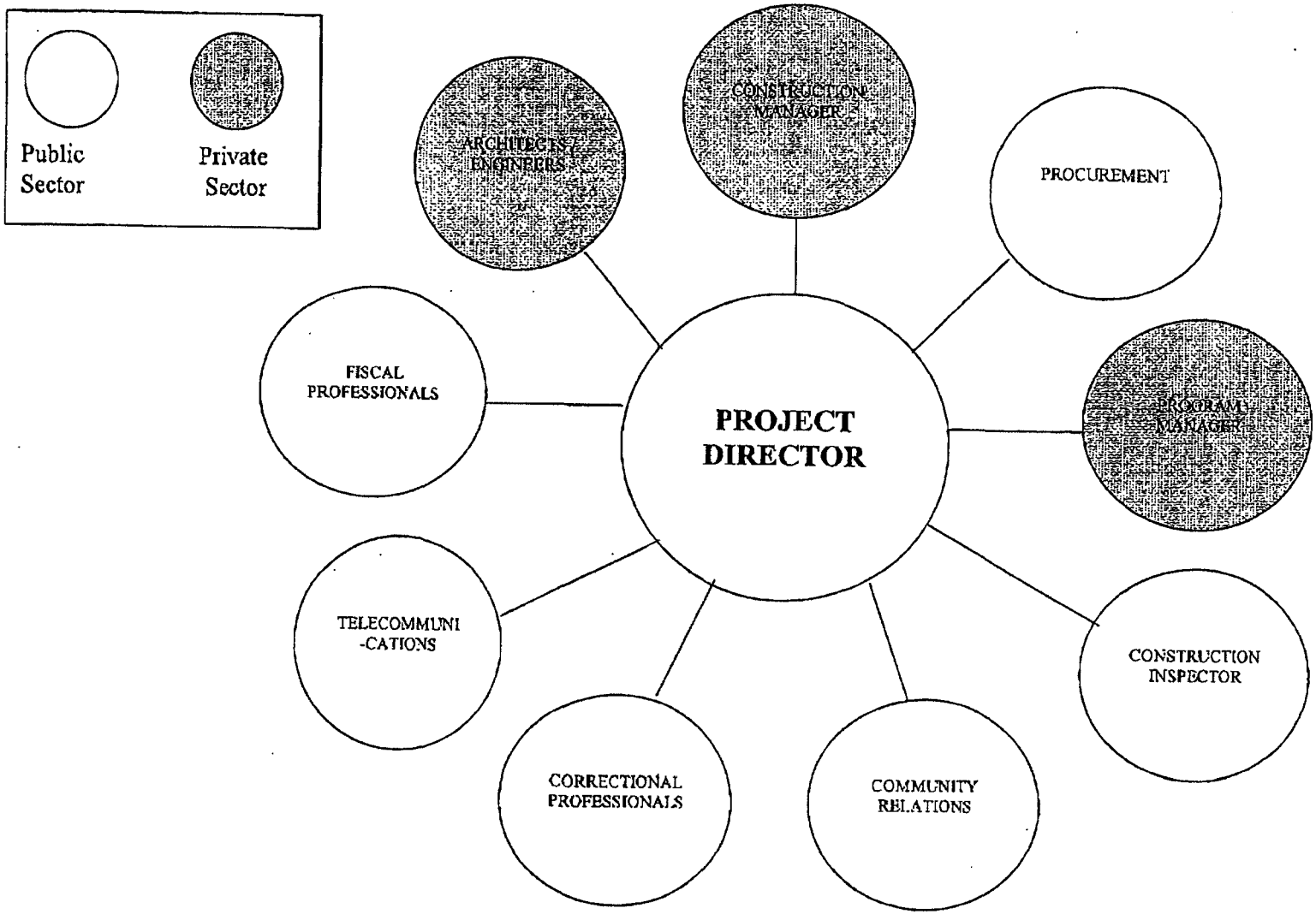
Sincerely,

JAMES E. TILTON
Secretary
California Department of Corrections and Rehabilitation

Enclosures

Exhibit 1

CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION
OFFICE OF FACILITIES MANAGEMENT
PROJECT TEAM



10/31/2006

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DIVISION OF SUPPORT SERVICES
OFFICE OF FACILITIES MANAGEMENT
HEALTHCARE CAPITAL OUTLAY BRANCH

Exhibit 2
Proposed

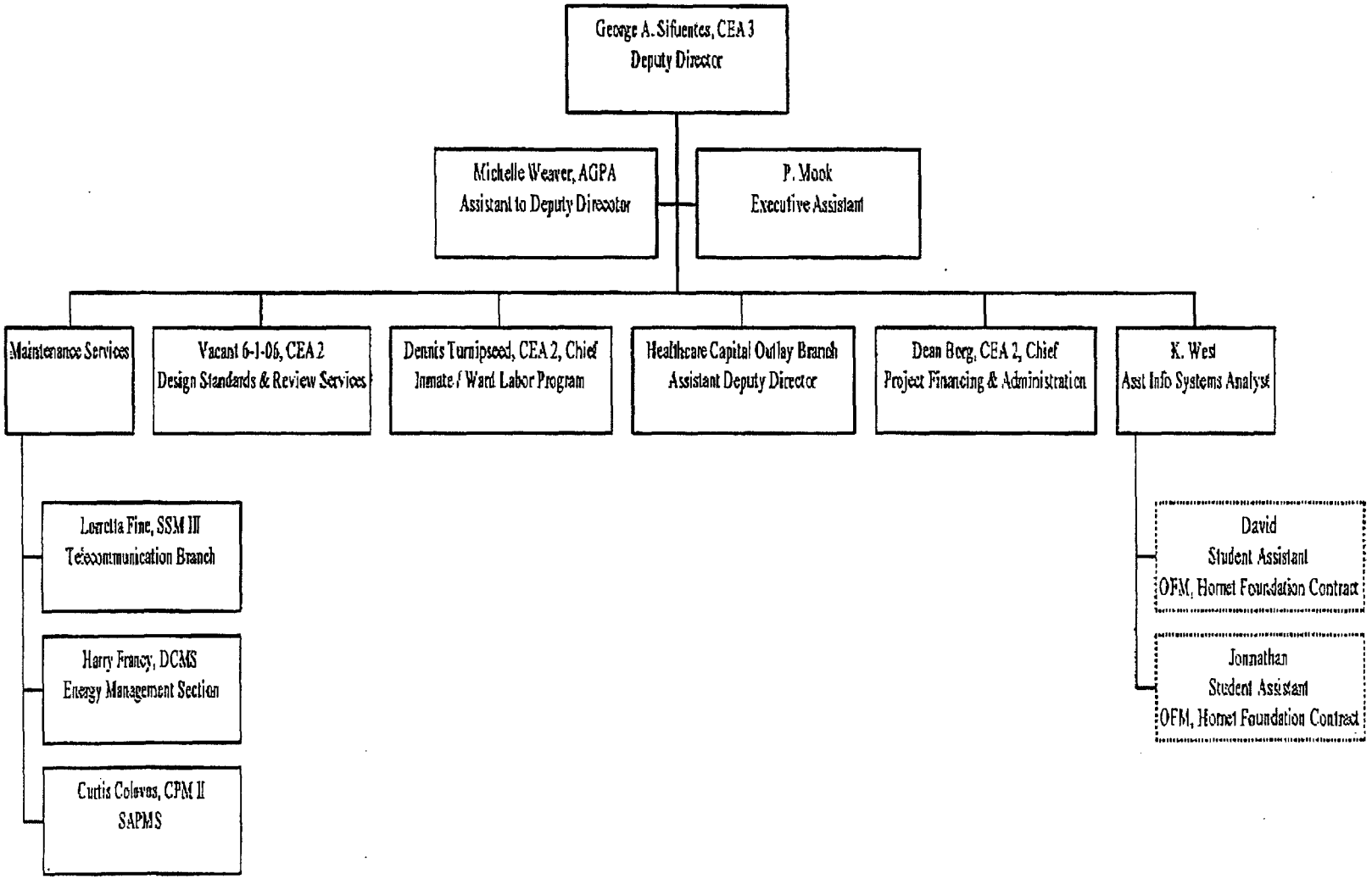

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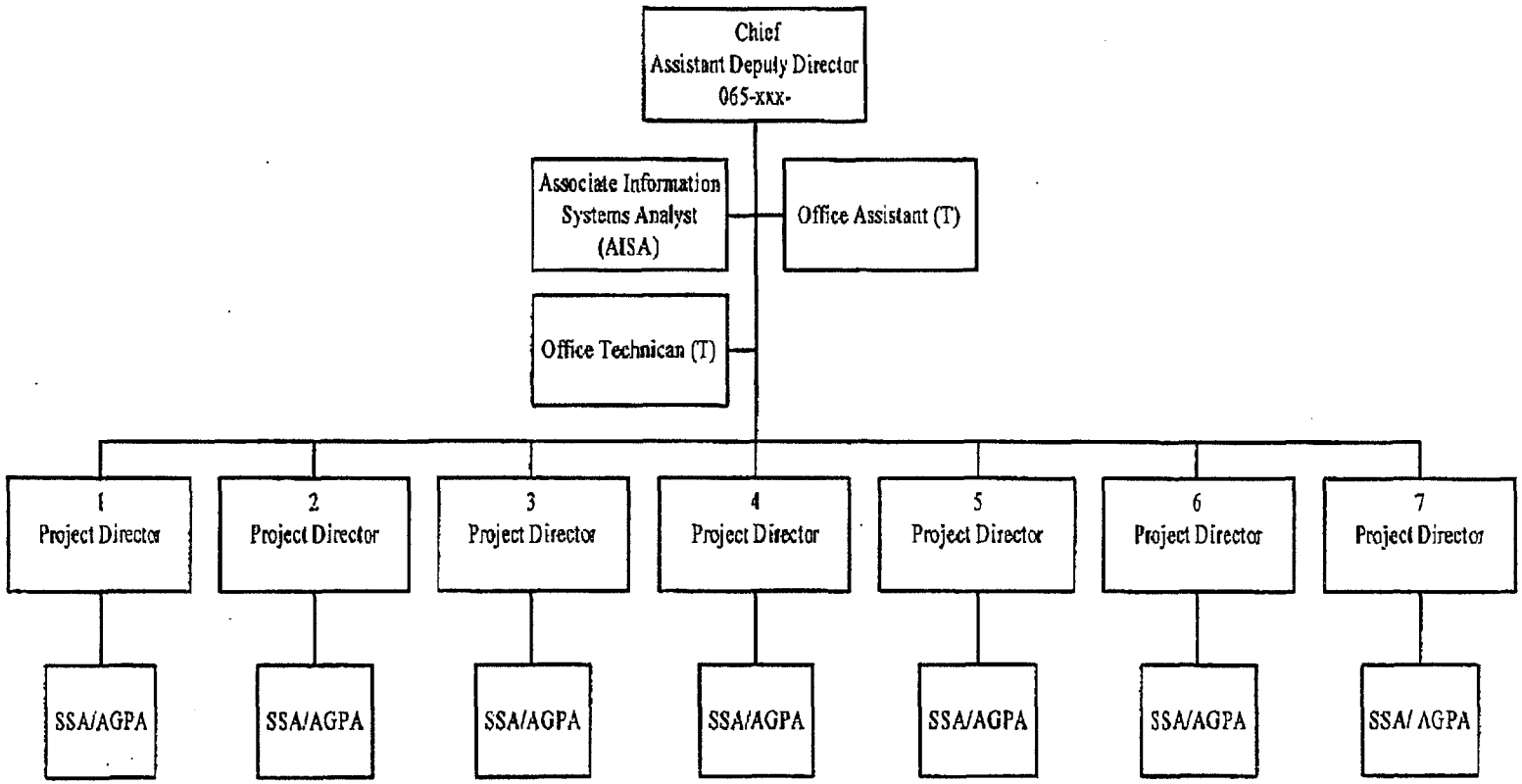
Exhibit 3
Proposed

DIVISION OF SUPPORT SERVICES
OFFICE OF FACILITIES MANGEMENT
HEALTHCARE CAPITAL OUTLAY BRANCH



CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITAITON
Staffing Proposal For 10,000 Medical And/Or Mental Health Beds

UNIT/CLASSIFICATIONS	Total # of PYs	Description
HEALTHCARE CAPITAL OUTLAY BRANCH (3)		
Administration (3)		
Assistant Deputy Director, Chief	1	Under the general direction of the Deputy Director, Facilities Management, the CEA I/Branch Chief, provides leadership and direction to the project management teams responsible for the construction of 10,000 Medical and/or Mental Health Beds. Utilizing a combination of public and private resources, the Branch Chief has central responsibility for directing projects through all phases utilizing the expertise of environmental, correctional, architectural, engineering, legal, financial management, telecommunication, and contract professionals in the Facilities Management. The Branch Chief also provides policy direction in the resolution of construction claims and serves as a key advisor to the Division and the Directorate on prison construction issues.
Office Technician	1	Under the general direction of the Assistant Deputy Director, the Office Technicians (OT) (Typing) provides clerical support for the Branch and project team. The OT is responsible for independent action and decisions on office details. This position regularly requires public contact, good judgment, and the ability to communicate effectively.
Office Assistant	1	One Office Assistant will provide general clerical support to the Medical and/or Mental Health Beds project team.
Assistant Information Systems Analyst	1	Under supervision of the Assistant Deputy Director, CEA 2, with support from the Office of Enterprise Information Systems, the Assistant Information Systems Analyst will be the primary point of contact for the Medical and/or Mental Health Beds project team staff issues relating to personal computers (PC's), workgroup, computing configurations, support of information technology systems, and LAN administration.
PROJECT ADMINISTRATION AND DELIVERY (30)		
Project Management Section (14)		
Project Director	7	Under the general direction of the Assistant Deputy Director, Healthcare Capital Outlay Branch the Construction Project Director is responsible for providing the overall administrative direction on all phases of planning, design and construction of one new correctional medical/mental health facility complexes and their associated support and administration facilities.
Associate Governmental Program Analyst	7	The Project Analyst, working independently for the Project Director, is responsible for assisting the Project Director in overseeing all aspects of one or more medical facility projects. This position may require day trips and/or overnight statewide travel of approximately 10-15 percent per month. The position is expected to consistently exercise a high degree of initiative, independence, and good judgment in performing assigned tasks.

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CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITAITON
Staffing Proposal For 10,000 Medical And/Or Mental Health Beds

Project Services Section (16)		
Supervising Architect Senior Architect Assoc. Architects Senior Civil Engineers Associate Civil Engineer Senior Mechanical Engineer Assoc. Mechanical Engineer Senior Electrical Engineer Assoc Electrical Engineer Construction Management Supv	1 1 2 1 1 2 1 2 1 2 2	Architectural/Engineering (A/E) staff will participate in the planning phase by attending programming meetings, project team meetings, and assisting with site analysis. Engineering staff will also see that any existing facility utility system information and operational parameters are considered in the location and the design of the facility. Their role will be to represent the Department in seeing that DCG, code and ADA requirements are considered and met and to provide technical support to the project team. During the design phase, the A/E staff will perform over-the-shoulder reviews of designs being developed and review design submittals of plans and specifications, providing comments and recommendations. Architectural staff will coordinate design reviews with the State Fire Marshal and facilitate resolution of ADA design issues. During construction, the A/E staff will perform construction site visits to observe work in progress and provide input to the project team on: construction problems; the construction schedule; requests for information; inspection issues and memorandums of concern; change orders and disputes.
Office Technician	1	One Office Technician position is needed to provide administrative staff support.
DESIGN STANDARDS AND REVIEW SERVICES – (49)		
Administration (2)		
Chief Deputy Warden (CF)	1	The Chief Deputy Warden (CDW) will report to the Deputy Director, Office of Facilities Management for supervision and all existing Design Standards and Review Services (DSRS)-Institution Program (IP) work, and have a functional reporting and accountability relationship to the Assistant Deputy Director, Healthcare Capital Outlay for all efforts associated with the Medical and Mental Health Care Program Section (MMHCP).
Office Technician	1	The Office Technician will provide clerical support for the Chief Deputy Warden.
Correctional Design Review Unit(16)		The Correctional Design Review Unit (CDRU) will be responsible for providing guidance, direction and oversight to ensure the appropriate standards of security are applied to the design and construction of the proposed facilities.
Correctional Administrator (CF)	1	The CDRU Correctional Administrator will report to the CDW and will be responsible for the day-to-day management of staff and activities assigned to the CDRU.
Project Implementation (7)		One Facility Captain will be directly assigned to each project and be responsible for functioning as a correctional security and operational technical specialist in the development of architectural programs, operational programs, design, design reviews, submittal reviews, request for information responses, site inspections, security systems implementation and integration, etc. The Project Implementation Facility Captains will report to the CDRU Correctional Administrator.

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CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITAITON
Staffing Proposal For 10,000 Medical And/Or Mental Health Beds

Facility Captain (CF)	7	The Project Implementation Facility Captains will ensure quality control concerning prison security/operational issues relating to compliance to New Prison Policy Guidelines, Design Criteria Guidelines, Standard Design Documents, Space Standards, California Code of Regulations, Title 15, the Departmental Operations Manual, etc. during the design and construction process. It is anticipated that the Project Implementation Facility Captains will spend an extensive amount of their time with their respective project design team and/or at their project construction site.
Support & Coordination (8)		The Support & Coordination staff will provide direct day-to-day support to the Project Implementation Facility Captains, and act as a research resource and clearing house for all security and operational design and construction issues as they arise. This will ensure the Project Implementation Facility Captains maximize their effectiveness on their individual projects and provide cost effective continuity and/or minimize change orders or delays on simultaneous projects.
Facility Captain (CF)	1	The Support & Coordination Facility Captain will be responsible for the day-to-day management and supervision of the Support & Coordination staff and be the primary point of contact for the Project Implementation Facility Captains. This position will also act as the primary project back-up for the Project Implementation Captains, for critical meetings, site visits etc., during absences due to illness, vacation, etc.
Correctional Lieutenant (CF)	1	The Correctional Lieutenant will develop policy papers and/or issue memos to ensure that security related construction issues with significant impact on departmental policy or procedures are brought promptly and accurately to departmental management for resolution. This position, with the assistance of the Associate Governmental Program Analyst, will ensure necessary updates to the Department's Design Criteria Guidelines. Additionally, this position will act be the secondary point of contact and back up for the Project Implementation Facility Captains.
Correctional Health Care Services Administrator II (CF)	2	The Correctional Health Services Administrator IIs (CSHA II) functions as correctional healthcare service support, administrative and operational technical specialists in the development of architectural programs, operational programs, design, design reviews, site inspections, and post occupancy evaluation associated the MMHCP. These positions will be responsible for maintaining liaison with various medical and mental health stakeholders (headquarters, field staff, Receiver's Office) for input into the projects. These staff will develop policy papers and/or issue memos to ensure that medical and/or mental health related construction issues with significant impact on departmental policy or procedures are brought promptly and accurately to departmental management for resolution.
Correctional Plant Manager II (CF)	1	The Correctional Plant Manager II (CPM II) functions as a correctional plant operations support, administrative and operational technical specialist in the development of architectural programs, operational programs, design, design reviews, site inspections, and post occupancy evaluation associated with the MMHCP. The CPM II will be the liaison for the variety of infrastructure related issues that will be associated with the projects. The CPM II will support the MMHCP by completing analysis and drafting responses to project related correspondence and other documents relating to physical

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		plant operations. The position will perform analysis of various project proposals for uniformity, ensuring they are complete and in compliance with New Prison Policy Guidelines, Design Criteria and Departmental new construction standards. This position will also assist the support the Facility Activation Support Unit with any issue related to plant operations and Infrastructure.
Associate Governmental Program Analyst	1	The Associate Governmental Program Analyst will provide general analytical support to the various program technical specialists (Custody, Medical, Plant Operations) in the CDRU.
Management Services Technician	1	The Management Service Technician will be responsible for tracking, cataloging, and filing all design review issues and/or documents such as plans, submittals, requests for information, etc.
Office Technician	1	The Office Technician will provide clerical support for the CDRU staff.
Facility Activation Support Unit(31)		The Facility Activation Support Unit (FASU) will be responsible for developing and vetting requisite staffing packages; developing and vetting requisite equipment lists; the purchase certain fixed and all movable equipment; the receipt, storage and shipment of said equipment; assisting each facility with focused recruitment, testing and hiring; developing and implementing new facility transitional training; and, ensuring all new facility and equipment assets are entered into the department's automated preventive maintenance program
Correctional Administrator (CF)	1	The FASU Correctional Administrator, via three subordinate managers, will be responsible for the day-to-day oversight of three distinct program areas in support of new facility activation.
Staffing/Equipment/Transitional Training (9)		The Staffing/Equipment/Transitional Training staff will responsible for developing and vetting requisite staffing packages; developing and vetting requisite Group I and II equipment lists, updating approved vendor equipment lists; the purchase certain fixed and all movable equipment; developing and implementing new facility transitional training; and, ensuring all new facility and equipment assets are entered into the department's automated preventive maintenance program
Facility Captain (CF)	1	The Facility Captain will be responsible for the day-to-day management and supervision of the Staffing/Equipment/Transitional Training staff.
Correctional Food Manager II (CF)	1	The Correctional Food Manager II (CFM II) will function as the correctional food service technical expert in support and activation of the seven projects. The CFM II will participate in the development of staffing packages, Group I and II equipment lists, and the development and implementation of Transitional Training staff.
Correctional Health Care Services Administrator II (CF)	1	The Correctional Health Cares Services Administrator II will function as the correctional health care technical expert in support and activation of the seven projects. The CHSA II will participate in the development of staffing packages, Group I and II equipment lists, and the development and implementation of Transitional Training
Correctional Lieutenant (CF)	1	The Correctional Lieutenant will function as the correctional security and operational technical expert in support and activation of the seven projects. The Lieutenant will participate in the development of staffing packages, Group I and II equipment lists, and the development and implementation of Transitional Training.
Associate Governmental Program Analyst	3	One (1) Associate Governmental Program Analyst (AGPA) will provide general

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		analytical support to the various program technical specialists (Custody, Medical, Food Services) in the FASU. Two (2) additional AGPAs will be brought on later in the project to ensure the identification and entry of all appropriate assets into the department's automated preventative maintenance program.
Management Services Technician	1	The Management Service Technician will be responsible for tracking, cataloging, and filing all facility activation staffing/equipment and transitional training issues and documents such as staffing package submittals, Group I and II equipment lists, lesson plans, etc.
Office Technician	1	The Office Technician will provide clerical support for the Staffing/Equipment/Transitional Training staff.
Procurement & Warehouse (11)		The Procurement & Warehouse staff will be responsible for the procurement of certain fixed and all movable equipment for each facility being constructed. Additionally, the OFM will have to establish a central warehouse operation to receive, store and ship cell furnishings, equipment, furniture and vehicles associated with each project.
Correctional Business Manager II (CF)	1	The Correctional Business Manager II will be responsible for the day-to-day management and supervision of the Procurement & Warehouse staff and activities.
Procurement & Services. Officer II (CF)	1	The Procurement & Services. Officer II will be responsible for planning, organizing and directing the procurement operations and supervising subordinate staff responsible for the purchase of materials, equipment, and supplies associated with the seven projects.
Procurement & Services. Officer I (CF)	3	The three (3) Procurement & Services. Officer I's will be responsible for purchase of materials, equipment, and supplies associated with the seven projects.
Warehouse Manager	1	The Warehouse Manager will supervise warehouse staff and plan, organize and direct the receipt, storage, issuance, and shipping of a heavy volume of varied equipment and supplies.
Materials and Stores Supervisor	1	The Material and Stores Supervisor will be the working supervisor for the two warehouse workers.
Warehouse Worker	2	One (1) Warehouse Worker will be brought on when the warehouse is initially activated, and one (1) additional Warehouse Worker will be brought on at a later date as deliveries and shipment workload increases.
Office Assistants	2	One (1) Office Assistant will provide clerical support to the equipment procurement function, and one (1) Office Assistant will provide support to the Warehouse function.
Personnel Recruitment & Delegated Testing (11)		The Personnel Recruitment and Delegated Testing (PRDT) staff will play a vital role of providing focused and localized recruitment, testing, processing and/or hiring of lead and initial base staff for each facility. It is anticipated that this will be for all non-health care related classifications.
Staff Services Manager I	1	The Staff Services Manager I will be responsible for the overall management and day-to-day supervision of the PRDT staff and activities.
Personnel Services Supervisor	2	Each Personnel Services Supervisor will lead a team of two (2) Personnel Technicians, and one (1) Personnel Selection Technicians to assist each institution that will be the site of a new facility with focused and localized recruitment, testing, processing and/or hiring of lead and initial base staff for each facility. It is anticipated that this will be for all non-health care related classifications.
Personnel Technician	4	See Above

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Personnel Selection Technician	2	See Above
Office Assistant	2	The two (2) Office Assistants will provide clerical support for the PRDT staff.
TELECOMMUNICATIONS – (4)		
Field Operations Section (2)		
Senior Information Systems Analyst (Supervisor)	1	Under the general administrative direction of Chief, Field Operations Section, Senior Information Systems Analyst (Supervisor), manages and directs, through a medium staff, manages and directs the staff responsible for network planning and management, management of multi-million dollar telecommunications construction/installation projects and data infrastructure/cable plant management and construction projects.
Associate Information Systems Analyst	1	Under the general direction of the Senior Information Systems Analyst (Supervisor), the Associate Information Systems Analyst (AISA) is responsible for overseeing the design, engineering, construction, and installation of the data wiring infrastructure for the 10,000 Medical and/or Mental Health Beds Project.
Telecommunications Systems Analyst II	1	Under the general supervision of the Senior Information Systems Analyst (Supervisor), the Telecommunications Systems Analyst II (TSA II) is responsible for the more complex analytical and technical duties associated with the development, planning, design, installation, and overall management of the telephone systems and sub-systems for the 10,000 Medical and/or Mental Health Beds Project. This position is responsible for the management and oversight of the Health Care Facilities Assessment for 10,000 beds at existing prisons.
Program Support Section (1)		
Associate Governmental Program Analyst	1	Under the direction of the Staff Services Manager I, the incumbent will perform complex analytical functions in support of the Telecommunications Branch, Program Support Section. The incumbent will interpret and apply contract and technical terms, policies, and budgetary constraints to fiscal documents processed. The candidate must also be able to handle multiple priorities.
PROJECT PLANNING AND FINANCE – (10)		
Project Financing Section (7)		
Staff Services Analyst / Associate Governmental Program Analyst	4	Duties will include fiscal tracking and accounting of expenditures and projections, preparation of loan documents, and bond sale preparation. 1.0 SSA/AGPA will be assigned to be the fiscal analyst for 1.75 teams (4 pys).
Staff Services Manager I	1	The additional analysts drives the need for an additional SSMI supervisor (1.0 py) to assist with supervision of this program's work.
Staff Services Manager II	1	This additional work drives the need for another level of manager to function as the Section Chief (SSM II) overseeing the work of the entire section.
Office Technician	1	Project Financing Unit: Additionally, this section is currently without clerical support, 1.0 py is necessary to support the entire Section's activities.

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Capital Planning Section (1)		
Staff Services Analyst / Associate Governmental Program Analyst	1	Duties will include producing and the updating of fiscal impact worksheets; participating in healthcare workgroups including Coleman, Plata, and Perez; developing and tracking reports on court-mandated healthcare projects; acting as a project liaison between Capital Planning and Healthcare, and assisting with updates to the healthcare section of the infrastructure plan.
Capital Budgeting Section (2)		
Associate Construction Analyst	1	Capital Budgeting Section: Duties will include on-site investigations; design reviews; preparation of State Public Works Board (PWB) requests for approval of preliminary plans, augmentations, design changes, etc.; coordination with Department of Finance on project status and approval of PWB items; implementation of policies and procedures; preparation of quarterly status reports and other reports as required, and project administration correspondence.
Associate Governmental Program Analyst	1	Capital Budgeting Section: Duties will include liaison to the Department of General Services (DGS) for all real estate issues; overseeing the preparation of real estate Due Diligence documentation consisting of the identification of property issues through the preliminary investigation analyzing the components of title, environmental condition, and other site conditions; request, review, and monitor the preparation of legal descriptions of property, easements, right of way/entry documents; monitor and approve payment of invoices; draft operational agreements; research and interpret parcel histories; respond to all real estate related requests; and prepare status reports and attend team meetings.
ENVIORMENTAL PLANNING (5)		
Environmental Planning (5)		
Senior Environmental Planners	4	Senior Environmental Planners (SEP) will serve as Environmental Program Managers for compliance with the California Environmental Quality Act (CEQA) for all construction and renovation projects for the program. The SEP will plan, organize, direct and control multidisciplinary teams of contracted consultants to prepare Environmental Impacts Reports (EIRs) for the program at 7 sites: CSP-Sacramento, CSP-Lancaster, California Men's Colony, California Institution for Men, Richard J. Donovan, Duel Vocational Institution, and Fred C. Nelles. One Office Technician position is needed to provide administrative staff support for the SEPs.
Office Technician	1	One Office Technician position is needed to provide administrative staff support for the SEPs
INMATE WARD LABOR PROGRAM (6)		
Contract Support Section (6)		
Staff Services Manager I	1	Separate Contract Unit set up within the new Branch supporting only these projects.

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Staff Services Analyst/ Associate Governmental Program Analyst Office Technician/Office Assistant	4 1	Primary contract method would be Design-Build, although other types of contracts (EIR, Interagency, consulting services, etc.) would likely be necessary. A large amount of workload is tied to the Design/Build Contracts, which require a significant setup/award/contract management presence, in addition to some learning curve, as the program has yet to use design/build on any previous projects. While change order/amendment work is variable, usually by complexity of project, we would expect more changes to these new types of multiple-phase contracts. Add to that the invoices, fiscal documents, contract code and legal work and the ever-growing control agency mandated reporting, and you have easily enough work for the 6 person unit.
OFFICE OF FISCAL SERVICES (8)		
Headquarter Accounting Services Section (8)		
Accounting Officer	2	The Contract positions will be responsible for encumbering and paying complex progress payments. New contracts and change orders require review to determine budget authority and availability of funds. Before progress payments are made each must be analyzed to verify that all liquidated damages, withholds, stop notices, retention or securities released. Complex payment records that contain all details of payment and moneys withheld and released or maintained. These records often are used in claim settlement litigation. Contract Contingency balances are established, maintained and reconciled to records of the Department of Finance. These positions will also perform project reconciliation and close out.
Accountant Trainee	2	Each location will require specific Equipment Schedules. Accounting staff will encumber procurement documents, compare invoices to Equipment schedules, obtain Stock Received Reports and maintain document files of Equipment detail and provide Fixed Asset reporting for seven locations. These positions will have extensive on-going contact with Procurement, Institution Personnel, Vendors and Fiscal Accounting.
Accountant Trainee	1	Projects of this magnitude will require significant design, construction and installation of data communications infrastructure. Past practice is that design services are performed by highly specialized vendors and result in multiple high volume and high dollar purchase and service documents per site.
Accountant Trainee	1	The Accounting Office is required to calculate and remit benefit payments to the union hall of each casual laborer hired. These payments require calculation, completion and tracking of documents specific to each Trade represented on each of seven construction sites. Expenditures are tracked by laborer, trade and construction project.
Accountant Trainee	1	On-going reimbursement of Support Appropriations of seven locations for Casual, Custodial and other (retired annuitant) costs that are initially posted to the General Fund, but require costing to various construction funds and appropriations.
Senior Accounting Officer	1	Staffing of the Unit to provide Accounting support, document processing, expenditure tracking, control agency contact and coordination of customer service to the program. Supervisor is required to oversee hiring, training and evaluation of staff and activities. Additional duties would include establishment and review of Project specific reports, review of Fund Transfer Requests, and Posting of journal entries.

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Exhibit 4

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OFFICE OF LEGAL AFFAIRS (5)		
Business And Infrastructure Legal Team (5)		
Attorney Legal Secretary	4 1	Staff will provide legal assistance relative to contractual, environmental and construction legal issues that arise during the project. One legal secretary is necessary to support this function, based on the plan to create a new office within the Office of Legal Affairs.
OFFICE OF BUSINESS SERVICES (2)		
Procurement and Contracts Branch (2)		
Staff Services Analyst/Associate Governmental Program Analyst	2	Provide contract work that will be required as a result of the new construction, this includes amendments, sub-contractor substitutions, Stop Notices, and other activities.
ENTERPIRSE INFORMATION SERVICES (2)		
Associate Information Systems Analyst	14	Provide local desktop and LAN support at each site.
Staff Information Systems Analyst	1	WAN Staff
Senior Information Systems Analyst	1	WAN Staff
Staff Information Systems Analyst	1	Project management, oversight, reporting, and coordination with Enterprise Information Services.
HUMAM RESOURCES (3)		
Personnel Services Analyst	2	Provide necessary personnel support to the 10,000 Medical and/or Mental Health Beds project team.
Personnel Selection Technician	1	Provide necessary personnel support to the 10,000 Medical and/or Mental Health Beds project team.
TOTAL REQUEST PYS	**127**	
ADDITIONAL NEEDS		
Large Warehouse Space	**Sq.Ft. TBD**	In order to meet the aggressive construction and activation timeframes associated with the proposed new construction, the Office of Facilities Management must establish as Central Warehouse operation to provide efficient and economical receipt, storage and shipment of equipment, vehicles, and materials related to the new construction projects. The existing institutions cannot absorb this responsibility.
Funding for Warehouse Equipment	**$$$ TBD**	The establishment of an new warehouse will drive the need for associated warehouse operation equipment, such as fork lifts, pallet jacks, etc.
Funding for Material Shipment	**$$$ TBD**	A determination will need to be made if the individual projects will bear the costs of shipping or if it should be a departmental General Fund issue.

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EIR Consultant-1st Year EIR Consultant-2nd Year	**$3,500,000** **$500,000**	We request an additional $3,500,000 annually for consultant services to prepare EIR other related CEQA documents. Second year budget in the amount of $500,000 wou needed for the cost associated with potential litigation under CEQA. For our consultant projects start concurrently we have two firms available to prepare EIRs, EDAW/AECOI Winzler and Kelly. Both have sufficient staff to handle the workload. We estimate the t complete one EIR ranges between 12 to 24 months.

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TOTAL P.16

EXHIBIT 9

California Prison Health Care Receivership Corp.

Statement of Expenses

For the two months ending October 31, 2006

Operating Expenses	September	October	Total	Year To Date 7/1-10/31/06
Salaries & Wages & Related	$251,476	$267,609	$519,085	$981,638
Consulting, & Other Professional Fees	$155,918	$162,324	$318,242	$525,452
Office Expenses	$6,484	$11,182	$17,666	$21,305
Rent	$16,707	$16,707	$33,413	$55,519
Insurance	$3,577	$3,577	$7,155	$14,652
Telephone	$3,012	$3,051	$6,063	$11,582
Travel	$3,465	$15,826	$19,290	$50,089
Miscellaneous	$5,585	$3,078	$8,663	$9,685
Total Operating Expenses	**$446,225**	**$483,354**	**$929,579**	**$1,669,922**
Other Income				
Interest Earned	$7,201	$5,516	$12,717	$24,781
Total Other Income	$7,201	$5,516	$12,717	$24,781
Net Expenses	**$439,023**	**$477,838**	**$916,862**	**$1,645,141**