

STATEMENT OF REASONS

Description of Regulatory Action:

The California Prison Industry Authority (CALPIA) and the Prison Industry Board (PIB) propose to amend Section 8299 of Article 9, Chapter 1, of the California Code of Regulations (CCR), Title 15, Division 8, including Appendices A and B, concerning CALPIA Conflict of Interest Code (COIC). This action is necessary to reflect CALPIA's organizational structure and add or remove positions within the COIC. Pursuant to Government Code Section 87306, CALPIA may amend its COIC at any time upon its own initiative. CALPIA's implied rulemaking authority is established by Penal Code sections 2801 and 2808.

For purposes of identifying and deterring economic and financial conflict of interest in governmental decision making, disclosures of the financial interests and assets of public officials have been required since the enactment of the Political Reform Act in 1974. Pursuant to the Act, state agencies are required to adopt and put into force a "Conflict of Interest Code." Under such codes, individual state agencies identify which positions should report interests and assets that may become a conflict of interest.

This action is necessary to amend and update CALPIA's current COIC. Amendments include adding employee positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code. Amendments are also proposed to delete employee positions that no longer involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code. Other positions were moved within the code to reflect CALPIA's organizational structure. A written explanation of why each position is added or removed is available along with the reasons for the disclosure categories. CALPIA has available upon request, all of the information upon which its proposal is based. The amendment carries out the purposes of the law and no other alternative would do so and be less burdensome to affected persons.

CALPIA has determined that the proposed amendments:

1. Impose no mandate on local agencies or school districts.
2. Impose no costs or savings on any state agency.
3. Impose no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.
5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

Written Explanation for Amendments (Pursuant to 2 CCR § 18750(a)(3)(B)(i)):

Section 8299 is amended to remove unnecessary capitalizations and hyphens, and modify language on how members of the Prison Industry Board and the General Manager must file their statements of economic interest.

Appendix A of Section 8299 is amended to reflect the changes in CALPIA's organization. Some designated filing positions were added, renamed, moved within the COIC, or deleted.

The following positions were added to the COIC, because they are newly created within CALPIA and the duties involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code:

- Special Assistant to General Manager, Executive Offices.
- Staff Services Manager, Project Management Office (All Levels)**
- Associate Governmental Program Analyst, Project Management Office
- Chief, Workforce Development Branch
- Free Venture – Private Industries Specialist, Joint Venture Program/Free Venture Program
- Associate Governmental Program Analyst, Career Technical Education
- Staff Services Analyst, Career Technical Education

The following positions were renamed or combined for clarification and consistency:

Original Position	Renamed Position
Contract and Procurement Manager	Staff Services Manager (All Levels)**, Procurement and Contracts Unit
Contract Analyst (SSA and AGPA)	Associate Governmental Program Analyst, Procurement and Contracts Unit Staff Services Analyst, Procurement and Contracts Unit
Manager, Staff Development	Staff Services Manager (All Levels)**, Staff Development Unit
Chief, Management Information Services	Chief Information Officer
Data Processing Manager I, II, and III	Information Technology Manager (All Levels)**
Senior Information System Analyst Systems Software Specialist (Supervisory)	Information Technology Supervisor (All Levels)**
Systems Software Specialist (Technical) I and II	Information Technology Specialist (All Levels)**

Original Position	Renamed Position
Chief, Budgeting Bureau	Chief, Budgeting and Financial Planning Section
Chief, Accounting Services	Chief, Financial Controller
Accounting Administrator II and III Accounting Administrator I (Supervisor and Specialist) Manager, Inventory Management Unit	Accounting Administrator (All Levels)**
Manager, Quality Management Section	Staff Services Manager (All Levels)**, Quality Management Section
Manager, Industry Employment Program Staff Services Manager II (Supervisor)	Staff Services Manager (All Levels)**, CTE, JV/FV, IEP

CALPIA developed and created a new division titled Management Information Systems/Project Management Office. All Management Information Systems positions were moved out of the Administrative Division, and into this new division. In addition, Manager, Quality Management Section was moved to the Marketing Division section.

The Special Assistant to Chief Financial Officer and Chief, Marketing Services positions were deleted because the positions were abolished. Lead ISO Auditor position was deleted because it was merged with the Manager, Quality Management Section position.

Other technical changes include eliminating separate listings for each classification level and replacing with "All Levels**" for simplification and provide for more complete coverage of future levels, and adding the additional footnote to clarify what "All Levels" refers to.

Appendix B of Section 8299 is amended to fix grammatical errors and add a new designation category to correspond with the new positions in the Program Management Office.