



OFFICE OF THE GOVERNOR

May 10, 2011

Ms. Diane Boyer-Vine
Legislative Counsel
State Capitol, Room 3201
Sacramento, CA 95814

Dear Ms. Boyer-Vine:

My Administration hereby submits the attached "Reorganization Plan Number 1," as required by the law governing the reorganization process. We also have submitted this plan to the Little Hoover Commission.

Once implemented, this reorganization will unify and streamline our State's personnel system by consolidating the two entities that currently oversee our State human resource functions: the State Personnel Board (SPB) and the Department of Personnel Administration (DPA). Study after study, including reports by the Little Hoover Commission, have pointed out the flaws of having a bifurcated system of personnel management and have recommended combining the operational functions of SPB with DPA, while maintaining SPB's independent constitutional authority to hear disciplinary appeals, approve classifications, establish probationary periods, and administer the merit system. Doing so will save money otherwise wasted on duplicative and disjointed systems and increase efficiency in providing personnel services to line departments.

In addition to the economic benefits of consolidation, the new "CalHR" will exercise leadership on long overdue reforms of the State's human resource functions. Such reforms, advocated by the Little Hoover Commission and others, include delegating more decision-making to line agencies; improving recruitment of new State employees; restoring basic training programs for rank-and-file and supervisory employees; and improving employer-employee relations to resolve disputes.

Our implementation team will contact your office directly regarding the statutory changes that will be necessary to implement this reorganization plan. We look forward to your advice and assistance.

Sincerely,


Edmund G. Brown Jr.