

**DEPARTMENT OF PERSONNEL ADMINISTRATION**

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April 16, 2012

Mr. Stuart Drown  
Executive Director  
Little Hoover Commission  
925 L Street, Suite 805  
Sacramento, CA 95814

Dear Mr. Drown:

Thank you for inviting me to testify at the Little Hoover Commission's April 24, 2012 public hearing on the Governor's Reorganization Plan to streamline and reorganize State government.

The Department of Personnel Administration fully supports the Governor's Plan. It will improve our ability to manage and coordinate government activities, resulting in cost savings for California.

We are currently reorganizing our department as we merge with the State Personnel Board to form the new Department of Human Resources (CalHR). Through reorganization we have already eliminated many duplicative functions and reduced administrative costs. We've identified processes to streamline, which will further increase efficiency and reduce costs.

Being involved in a State government reorganization, I am pleased to provide these answers to the questions posed by the Little Hoover Commission.

1. **Question:** What issues should the Commission consider in its evaluation of the plan?

**Answer:** Can State government be structured more effectively?

From my experience with the CalHR merger, I believe it can. The Governor has taken the first step by merging the State's two personnel departments. The Governor's Plan will further improve organizational relationships by grouping similar departments with related missions under one agency.

How will the Governor's Plan make State government more effective?

The best example is the Transportation Agency. We know the State will face serious transportation issues in the next decade. The Governor's Plan combines six different transportation entities. Today, these government entities could work at cross purposes or duplicate each other's work. By coordinating them, we put the State in a much better position to address these issues successfully.

2. **Question:** What advantages and risks would need to be considered?

**Answer:** I'm in an excellent position to see the advantages of creating the Government Operations Agency, which will include CalHR. By combining departments that provide

services to State government, we'll increase efficiency, increase accountability, and share information better than we do now. Specifically:

- More coordination between CalHR and the Department of Technology will help the State recruit and retain qualified information technology professionals, who are critical to improving and automating business processes.
- Better communication between CalHR and the Department of General Services will help the State with purchasing assistance devices for employees with disabilities or reasonable accommodations.
- Closer collaboration with the Victims Compensation and Government Claims Board will improve the State's ability to resolve claims submitted by citizens in a more timely manner.
- More coordination with the Office of Administrative Law will help guide CalHR through the public hearing process so we can make regulatory changes necessary to streamline State personnel management.

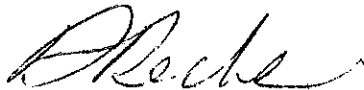
I see no risks in the Governor's Plan.

3. **Question:** Does this reorganization plan position the State to operate more effectively and efficiently? If not, what additional action is needed?

**Answer:** Yes, the Governor's Plan definitely positions the State to operate more effectively and efficiently. The Governor's Plan eliminates redundancies, groups together departments with related missions under the same agency, and enables government to serve California's citizens in the most efficient way possible.

On behalf of the Department of Personnel Administration, thank you for inviting my testimony on this matter. Please contact me if you have any additional questions.

Sincerely,



David Rechs, Manager  
CalHR Implementation Team