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CALIFORNIA  
PRISON INDUSTRY AUTHORITY  
BOARD MEETING

CALPIA Showroom  
2125 19th Street  
Sacramento, California 95818

WEDNESDAY, JUNE 19TH, 2019  
1:00 P.M.

REPORTED BY: MICHELLE M. WILSON, CSR 14303, RPR

## A P P E A R A N C E S

1  
2  
3 Ralph Diaz, Board Chair

4 Darshan Singh, Vice-Chair

5  
6 BOARD MEMBERS

7 Dr. Armond Aghakhanian

8 Dawn Davison

9 Mack Jenkins

10 Bob Jennings

11 Felipe Martin

12 Michele Steeb

13 Brian Soublet

14  
15 EXECUTIVE OFFICER

16 Scott Walker

17  
18 BOARD SECRETARY

19 Jessica Murray

20  
21 CHIEF OF EXTERNAL AFFAIRS

22 Michele Kane

23  
24 CHIEF OF WORKFORCE DEVELOPMENT

25 Thy Vuong

## A P P E A R A N C E S C O N T I N U E D

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25ALSO PRESENT

Melissa Bayer

Scott Brunner, CPA, Macias, Gini &amp; O'Connell

Janel Espinoza

Robert "Bobby" Hernandez

Jim Lasek

Colin Martin

Raymond Meek

Jimmy Ngo

Jeff Powers

Jeff Sly

Zane Walker

Pam Williams

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## P R O C E E D I N G S

1  
2 BOARD CHAIR DIAZ: Good afternoon, everyone.  
3 I'd like to call this meeting of the Prison Industry  
4 Board to order at 1:03 p.m. I'd also like to note that  
5 this meeting is being held at a publicly-noticed  
6 location, and, at this time, we'll begin by asking Board  
7 Secretary to please call the roll.

8 BOARD SECRETARY MURRAY: All right. Chair Diaz?

9 BOARD CHAIR DIAZ: Present.

10 BOARD SECRETARY MURRAY: Vice Chair Singh?

11 VICE CHAIR SINGH: Here.

12 BOARD SECRETARY MURRAY: Member Aghakhanian?

13 BOARD MEMBER AGHAKHANIAN: Here.

14 BOARD SECRETARY MURRAY: Member Davison?

15 BOARD MEMBER DAVISON: Here.

16 BOARD SECRETARY MURRAY: Member Jamison? Member  
17 Jenkins?

18 BOARD MEMBER JENKINS: Here.

19 BOARD SECRETARY MURRAY: Member Jennings?

20 BOARD MEMBER JENNINGS: Here.

21 BOARD SECRETARY MURRAY: Member Kelly? Member  
22 Martin?

23 BOARD MEMBER MARTIN: Here.

24 BOARD SECRETARY MURRAY: Member Steeb? Michele?  
25 Member Soublet?

1 BOARD MEMBER SOUBLET: Here.

2 BOARD SECRETARY MURRAY: All right. Mr. Chair,  
3 we have a quorum.

4 BOARD CHAIR DIAZ: Outstanding. Thank you. So  
5 I would like to welcome Board Members and attendees.  
6 Thank for being here today at the Prison Industry Board  
7 Meeting. I would like to welcome Brian Soublet.  
8 Mr. Soublet is recently named as a Secretary Designee by  
9 the Secretary of the California State Transportation  
10 Agency, Brian Annis.

11 Do you mind me doing a little intro of yourself,  
12 or would you like to do it on your own?

13 BOARD MEMBER SOUBLET: I can go ahead.

14 BOARD CHAIR DIAZ: Go ahead. I think you can  
15 say it better than I can.

16 BOARD MEMBER SOUBLET: I'm Chief Counsel and  
17 Deputy Director for the Department of Motor Vehicles, a  
18 position I was appointed to in summer of 2014. Been in  
19 state service for 27 years. Prior to coming into DMV in  
20 2003, I was Chief Counsel and Assistant Chief Counsel at  
21 the Department of Insurance. I started my state career  
22 in 1992, and, prior to that, I worked for various defense  
23 law firms and spent a little time at the city office in  
24 Oakland. Pleased to be here.

25 BOARD CHAIR DIAZ: Mr. Soublet, thank you and

1 welcome. I want to now to open up the floor for any  
2 Board members, any opening comments, if any? Mack?  
3 Nothing?

4 (Laughter.)

5 BOARD MEMBER JENKINS: No. No. Usually I have  
6 a comment, but I have none today. Thank you, Mr. Chair.

7 BOARD CHAIR DIAZ: Okay. Seeing and hearing  
8 none.

9 BOARD MEMBER AGHAKHANIAN: Mr. Chair, I just  
10 want to welcome our new Board member. We do have a  
11 tradition here. For any new Board members, you have to  
12 bring pastries.

13 (Laughter.)

14 BOARD MEMBER AGHAKHANIAN: For everyone.

15 BOARD MEMBER SOUBLET: I'll have to remember  
16 that.

17 BOARD CHAIR DIAZ: Mr. Aghakhanian, are you  
18 saying you don't like the PIA cookies?

19 (Laughter.)

20 BOARD CHAIR DIAZ: I personally enjoy them.

21 BOARD MEMBER AGHAKHANIAN: Yes.

22 BOARD CHAIR DIAZ: Very good.

23 BOARD MEMBER AGHAKHANIAN: By the way, where do  
24 you live?

25 BOARD MEMBER SOUBLET: Sacramento. I'm sorry.

1           BOARD MEMBER AGHAKHANIAN: We'll stick to the  
2 cookies.

3           BOARD CHAIR DIAZ: At this point, I'd like to  
4 note that any members of the public that are present  
5 right now, there will be an opportunity for public  
6 comment, and, when we reach that point, I will announce  
7 it, and I'm sure there's cards that need to be filled out  
8 to state your name and where you're from, and we can get  
9 that on the record. Each speaker will be limited to two  
10 minutes in the public comment. At this point, we're now  
11 going to move on to the General Manager's comments. I'll  
12 turn it over to you, Mr. Walker.

13           EXECUTIVE OFFICER WALKER: Thank you, Mr. Chair  
14 and Board Members. Good afternoon. Thank you everybody  
15 for showing up. I appreciate it. I know we all got busy  
16 schedules. This is one of our more important meetings.  
17 We will be discussing the annual plan for the next fiscal  
18 year. So that will be some of the business we do.

19           The big deal is we're going to thank some of the  
20 staff that have participated in the success of CALPIA  
21 over the last year, and they're going to be represented  
22 here. Hopefully they were all able to make it so we can  
23 kind of thank them for their contribution to CALPIA.  
24 This is not certainly done alone. Certainly not alone by  
25 me without the support of the Board and staff's hard

1 work. None of this could happen at all. This whole  
2 organization is a byproduct of those folks, so being able  
3 to thank them today personally is a great honor for me  
4 and appreciative of their work.

5 With that, I would just go generally over some  
6 few notes and stuff we're working on. There's just a lot  
7 of things that PIA is working on right now, and that's  
8 all good because it's moving the organization forward. I  
9 think last time we talked I mentioned there was an  
10 organizational health assessment done that I shared with  
11 all of you.

12 The next step has been taken. We've sent that  
13 document out to the supervisors and managers in the  
14 field, the whole document is in central office, and a  
15 Reader Digest version, for a lack of better term,  
16 everybody else in the organization electronically to let  
17 them kind of get the feeling and the feedback that we're  
18 listening to what they had to say. That was their words,  
19 their mere thoughts that was put into that assessment.  
20 So I wanted them to see that and see that we recognize  
21 some of their concerns.

22 With that, we're going start working on the next  
23 strategic business plan, and there's two things in there  
24 kind of overarching that we're going to focus on; one is  
25 employee engagement, and the other is communication.

1 Those are typically out there in every organization  
2 private and public sector, and we need to continue to  
3 work on those, communication particularly because I think  
4 that drives a lot of employee engagement when they feel  
5 like there's an opportunity for them to have their voices  
6 heard.

7           One of the things we've done initially is we've  
8 started doing surveys. So, when there's a question in  
9 the organization about something, about what's working,  
10 what's not working, what we can improve. Instead of us  
11 getting together, the executive staff, and opining on  
12 what we think that is or how we should do it, we're  
13 sending these out to the field. It's been very, very  
14 insightful some of the responses we've got back on all  
15 kinds of things. We asked them about their thoughts on  
16 ACA, how is it working? What's working? What's not  
17 working? We asked them about inmate assignments.

18 Undersecretary --

19           BOARD CHAIR DIAZ: -- Pogue? Toche? Allison?

20           EXECUTIVE OFFICER WALKER: Allison.

21 Undersecretary Allison is working with us to increase in  
22 the vacancies or decrease any vacancies I should say, and  
23 so part of that was I wanted to provide her some  
24 intelligence on some of the barriers that our staff  
25 perceive out there for their assignments. So the survey

1 works really well. We send it out to those folks, and  
2 say, "Hey, what's working? What's not working? How can  
3 we make this better?"

4           So I got that back, and I'm going to boil that  
5 down and provide that to her with our current vacancy  
6 report for the Wardens Meeting on the 24th, to help king  
7 of move that needle. We're headed in the right  
8 direction. You'll hear me talk later about assignments  
9 have actually gone up, but we need to keep going. We  
10 still have a 22 percent, I think, vacancy rate out there.  
11 So there's still a lot of opportunity to get better  
12 there.

13           The other thing we'll touch on briefly is the  
14 recidivism report. I talked to you all about that last  
15 time. We still haven't made a lot of progress on that.  
16 There's still more questions than answers. We're going  
17 to go down on the 27th and meet with UC Irvine and talk  
18 to them about that. One of the concerns I've got is  
19 there's not enough data in there, apparently, to isolate  
20 and report on individual programs. And so, you know, I  
21 can go out there and I can publish -- we can publish the  
22 recidivism numbers, which look encouraging -- right --  
23 compared to the last one.

24           But that's more about patting ourself on the  
25 back and not necessarily effecting outcomes. I'm

1 interested in where do we need to focus as an  
2 organization to get better outcomes. I don't know. I'm  
3 being to told the data is not there to do that. So I  
4 want to hear that from Dr. Susan Turner on the 27th and  
5 get a better understanding of that and get from her  
6 whether we need to do a deeper dive into this, whether we  
7 got some intelligence on what programs are working, what  
8 programs aren't working and the bigger scope of this  
9 thing.

10 So I'm not trying to drag our feet on this. I  
11 just want to make sure there's some value rather than a  
12 pat on the back when this thing gets published. So I'll  
13 keep you informed of that as it goes forward, but right  
14 now that's kind of my notion on that report right now.

15 BOARD CHAIR DIAZ: Mr. Walker, if I could ask a  
16 question?

17 EXECUTIVE OFFICER WALKER: Yeah.

18 BOARD CHAIR DIAZ: On the recidivism report  
19 itself, just so everyone understands what we're working,  
20 is this an apples to apples comparison to the recidivism  
21 scale or the parameters that the Department of  
22 Corrections and Rehabilitation uses?

23 EXECUTIVE OFFICER WALKER: It is the same  
24 methodology. Yes. It is the exact same methodology.  
25 Again, there's some things in there -- and I don't know

1 if, you know, part is just the communication thing. I  
2 talked about that a minute ago. There's an assumption in  
3 there we don't employ any lifers in our program. That's  
4 not true. So things like that, and that's more of  
5 probably our fault than their fault. I think we just  
6 need to do a better job of giving them the right data and  
7 making sure to frame this thing up in a way that will be  
8 a value to everybody. So, yes, it's the same  
9 methodology; we just need to do a little bit more work on  
10 it.

11           Apprenticeship update. So that's going to tie  
12 into this. One of the things we're trying to do is make  
13 everything we do -- and Thy is going to talk a lot more  
14 about this later -- have some standards, some  
15 professionalism. We'll do it as training. We're not  
16 just training them to stand in front of a machine and run  
17 it for eight hours; we're actually training them with  
18 some standards. So what we're moving towards in all the  
19 PIA apprenticeship standards, we're working with the  
20 Department of Apprenticeship Standards, Eric Rood, those  
21 folks over there, to formalize all this training and push  
22 that in there and start now even with the CTE program.  
23 We had that conversation.

24           And so that's coming to you. Thy will report on  
25 that later. And really what it takes the organization

1 from is some in-house notion of proficiency to a  
2 certified proficiency that there's a third-party  
3 certification of that, not just what PIA says is best.  
4 So that's important to me because when these folks get  
5 out there and they have an opportunity and get access  
6 based on some certification, if they go to that employer  
7 and they can't meet that need, if they don't walk the  
8 talk so to speak, that kind of puts a bolder -- as Vera  
9 Salcedo said to me the other day -- in the middle of that  
10 pathway. So part of this is just professionalizing our  
11 approach. If we give somebody a certificate, there's  
12 actually something behind that, not just some in-house  
13 methodology that we created.

14 Re-entry efforts. They will be talking a lot  
15 about this as well. We're also working on what they call  
16 The Prison to Employment Program. The Department of  
17 Corrections, Department of Workforce Development, the  
18 EDD, there's a whole host of agencies that are working on  
19 this and establishing a pipeline to employment post  
20 release. And we're integrating into those groups and  
21 maybe we're pushing a little harder than they're  
22 comfortable with at some point, but we're trying to  
23 figure out the best practice to get these folks from  
24 prison to employment. And there's a lot of barriers to  
25 that.

1           We had a big training session down here where we  
2 brought NIC in a month or so again and trained Sac County  
3 Sheriffs, Alameda County Probation Officers, parole  
4 agents, parole administrators, PIA Workforce Development  
5 Coordinator, PIA Staff, and the notion is, if we can get  
6 that whole community looking at this issue and the  
7 barriers the same way, the outcomes are going to be  
8 better. So we're going to continue to focus on that;  
9 there's a lot of people involved.

10           We are also simultaneously working with Alameda  
11 County on a project called Pathways, and there's a lot of  
12 similarities between those two, but they're both  
13 operating somewhat independently, and we have an interest  
14 in both of those, trying to develop a best-practice  
15 model, and Thy will talk a little bit more about that as  
16 well.

17           On reentry, just a side note there, we're also  
18 continuing with tattoo removal service at the female  
19 offenders institutions. That's been a great success down  
20 there. I mean, it's a life-altering moment for some of  
21 those folks when they get some of that tattoo removed  
22 particularly from their facial areas and places like  
23 that.

24           Some great news that came out was we started our  
25 first customer model joint venture program. So the

1 distinction is there's employer models and there's tester  
2 models. We have, I think, five tester or employer models  
3 in the state right now. And the employer model is where  
4 the company comes in, we basically provide them with  
5 space; they come in set up shop; they have to bring their  
6 own equipment, their own staff, and they run the program.  
7 We just kind of facilitate that.

8 Most other states don't operate that way. They  
9 do what they call an employer model, where they have  
10 excess capacity or capacity in general because some  
11 states operate almost exclusively in joint venture  
12 programs. They, the prison industry folks, correctional  
13 industry folks, they do the work; they do the service;  
14 they produce the goods, and they sell it to the private  
15 sector company who then has the authority to resell it.

16 We've never done that in California. It's been  
17 a model I think would work well for us, particularly the  
18 folks that don't have the capital to start their own  
19 manufacturing facility, and where we can match that with  
20 a facility that we have to have capacity and also there's  
21 enough margin in that product, that makes sense for both  
22 sides of the fence. So one that we came up with -- the  
23 joint venture folks actually came up with it -- is doing  
24 laundry at Solano. We have capacity there. It's a place  
25 called First-Class Laundry in the bay area that needed

1 somebody to wash their clothes for them, and clothes, as  
2 I understand it, they run a lot of youth camps so it's  
3 clothing from there.

4           So we started that last week. That's a first  
5 model, customer model, that we've done. So far so good.  
6 At some point, if there's no snags, there'll be some  
7 press on that. I just want to make sure it gets its legs  
8 underneath it before we start shouting from the roof tops  
9 about how great it is. I expect it will be fine, but I'm  
10 just cautious. Currently we have, I think, 17, 16 or 17  
11 offenders assigned to that program, and the beauty of  
12 this is they get paid a comparable wage, and they're, by  
13 law, mandated to put 20 percent of that wage into a  
14 savings account.

15           So instead of these folks getting out with \$200  
16 gate money, they can get out tens of thousands of  
17 dollars; it can be a life-changing event for them because  
18 now they can afford transportation, now they can afford  
19 housing, which are some of the other significant barriers  
20 out there. So the more that we can put these programs in  
21 place and certainly where we can put them in place in  
22 continuity with a PIA program, makes a lot of sense. So  
23 we're going to keep exploring that. Hopefully this one  
24 works well. I think it will, but it gives them a better  
25 path forward on the transition.

1           Additional programs we've got working, we're  
2 working to put a laborers program at the youth fire camp  
3 in Pine Grove. They want us to help them out up there do  
4 some building up there, and I've got to tie it back to  
5 some benefit to PIA. So I talked to Chuck Supple, who is  
6 the director, and the benefit we came up with is he's  
7 going to find a laborers program up there; we could use  
8 that program to do some of the construction work that he  
9 needs up there. And then the beauty to this thing is  
10 there's kids out there in those youth facilities that  
11 would love to go to camp, but they can't because they  
12 have some sort of minor medical condition.

13           There's one fellow, he only has one eye, this  
14 young man down in Ventura. Well, they won't let him go  
15 to fire camp because he's not allowed to fight fires with  
16 that medical condition, but, if we create an in-camp  
17 laborer program to do the construction, they will be  
18 eligible for the program. So now these folks that have  
19 been excluded from those things for some medical  
20 condition, can now push into that program. So it's kind  
21 of a win/win.

22           There's still some hurdles to get over. Chuck  
23 has got to find the money, which I think he'll be able to  
24 do, and then Cal Fire has to hire another fire captain,  
25 et cetera, et cetera. But, if we can make that work,

1 that should be coming to us hopefully sometime in this  
2 fiscal year or maybe, at the latest, next fiscal year.

3 BOARD CHAIR DIAZ: Mr. Walker, on that program  
4 in Pine Grove, I've seen that in the budget and there's  
5 already language being passed about DJJ moving over to  
6 HHS. Are there any things that the Board has to do  
7 language wise or legally with the transition outside of  
8 CDCR when they move to HHS?

9 EXECUTIVE OFFICER WALKER: I've seen something  
10 that allowed for that, and so Jeff is going back and  
11 looking at that. We asked that same question. We'll  
12 identify if there's any barriers there that we need to  
13 overcome, but I thought there was some language that was  
14 maybe in the language that spoke to that transfer in  
15 contracts DJJ currently has, but we're going to do our  
16 homework to make sure, but good point. We want to make  
17 sure we're following the law there.

18 The other thing we have done recently, this last  
19 week we finally moved the coding program up to Green  
20 Valley Training Center, the 7370 Coding Program. And  
21 that was a bit of a challenge, but we got it done, and  
22 the beauty of it is the facility up there, the approach,  
23 the atmosphere is much better than where it was. The  
24 CDCR vocational instructor is tickled pink to be working  
25 up there with. The Last Mile's Chris Redlitz and his

1 folks are all readily engaged in that. So we should be  
2 having some pretty good outcomes out of that program as  
3 well.

4 BOARD MEMBER DAVISON: That leaves room at FWF.

5 EXECUTIVE OFFICER WALKER: That leaves room at  
6 FWF, yes, ma'am.

7 Pile drivers at CIM. I'm trying to get the  
8 Southwest Regional Carpenters Union put a piledrivers  
9 program in down at CIM. I met with Louis Ontiveros a  
10 couple of weeks ago, a month ago. Those relationships  
11 have been interesting, to say the least, but they seem on  
12 board. We showed them the dive program, and the beauty  
13 of that is while there's also -- there's already a  
14 pipeline for the divers. There's some of those guys that  
15 don't want to want dive. If we can hook them up with  
16 pile drivers, which, in the big picture, is a  
17 construction workers on docks; right? There's another  
18 venue for them to get out and have a successfully career  
19 out there. So I'm working on that relationship, and I  
20 think we'll be able to make that fly as well.

21 Regional Staff Meetings. Again, you can follow  
22 on Facebook and now Twitter, Instagram.

23 (Laughter.)

24 EXECUTIVE OFFICER WALKER: We got these pictures  
25 out there where we did four regional staff meetings, and

1 it was a huge success. You know, just having those folks  
2 connect with the executive staff, and the whole purpose  
3 of this was to go out and thank them for their work, et  
4 cetera, et cetera, and really have them put a face with a  
5 name and then have that interaction. The best part of  
6 those staff meetings, I will tell you, is after the  
7 meeting when people get to talk and know each other a  
8 little better and share their stories and what's going on  
9 and ask them questions.

10 So it's been very good. I'll share with you  
11 quickly some of the feedback. We did that same  
12 SurveyMonkey feedback because some people don't ask  
13 questions during the meeting; they just aren't  
14 comfortable doing that. So, after all these meetings, we  
15 sent that survey question out to all those folks that  
16 attended and asked them that via the confidential  
17 SurveyMonkey process, and some of the thoughts we got  
18 back were all pretty much -- they were all positive.  
19 Interesting, the first one we did was a big connect the  
20 dots where they wanted better snacks.

21 (Laughter.)

22 EXECUTIVE OFFICER WALKER: But the thought, the  
23 response were a feeling of genuine interest in the field  
24 and a positive outlook for the future. It reassures me  
25 that I'm where I need to be. So they've been a huge

1 success. We'll continue to do those in some form or  
2 fashion. It's one of the ways that I talked about  
3 earlier to facilitate better communication between the  
4 whole organization.

5 Safety NIC. So I think I talked to you guys  
6 last time about some of the things I seen, as far as  
7 safety, and safety training, security training for staff  
8 at the institutions. That is still a big concern of  
9 mine. So we're still coordinating with NIC to come out  
10 and do an audit at one of our facilities. In preparation  
11 for that and some background just for those of you who  
12 didn't hear last time, in North Carolina in 2017 they had  
13 four of their staff killed in industries. Tragic. It  
14 was an attempted escape, went bad, and four of the staff  
15 were murdered.

16 So obviously that caught my attention, and I  
17 want to learn from their tragedy. So we partnered with  
18 them and got all their after-action reports, and we sent  
19 three CALPIA staff and one person from Guillermo's  
20 security office team to North Carolina last week to kind  
21 of walk through those areas, talk to the staff. I wanted  
22 to make sure it wasn't something that was missing in the  
23 reports because sometimes that happens; things don't end  
24 up in there for whatever reason.

25 And it was really eye opening for two reasons.

1 One was, the staff came back and obviously they were  
2 thankful for North Carolina's hospitality. It was great,  
3 but the view of it was they have still a lot of work to  
4 do on bringing their institutions and their protocols,  
5 security protocols, up to speed. We're far advanced from  
6 them in that area. I think we still need to improve  
7 there, but the contrast was a little bit of a relief I  
8 would say that we're, as far in comparison, we're doing a  
9 much better job of that.

10 The area that we still need to work on that I  
11 believe they are out in front of us on is the training.  
12 So we're going to continue to focus on that. We're going  
13 to use some of their experiences to develop our training,  
14 and so we're going to take the training that Debi rolled  
15 out here a while back and start to push some of that  
16 security awareness and situational awareness and  
17 correctional awareness into that training and do a better  
18 job of that moving forward. But we're learning from  
19 their mistake and hopefully we can get a little bit  
20 better.

21 Michele Kane has added a success story tab, pull  
22 down, drop down to the PIA website. If you have not seen  
23 that, I would encourage you to look at that. This came  
24 somewhat at the prodding of the Board and Michele Steeb  
25 to get our story out there, which is a good thing, and

1 tell those success stories and let employers see that  
2 there's some outcomes there that are positive that they  
3 can help breakdown those barriers. So she's put that out  
4 there now, so, if you haven't seen that, feel free to go  
5 look at that.

6 One of the things that I will tell you that  
7 we've done in the last two graduations is we brought back  
8 a lady named Vera Salcedo. Vera spent eleven years at  
9 CIW, and she is just a really tenacious individual, and  
10 she went through the carpenters program, the laborers  
11 program, and I think every other program that we put down  
12 there. She went through all of them. She got out and  
13 she ran into those same barriers, didn't have  
14 transportation, didn't have housing, and, you know,  
15 unfortunately some of the offenders when they get out  
16 they stop right there.

17 And Vera didn't because that's who Vera is, to  
18 some degree, and she kept pushing. She now works for  
19 Gallo Construction in Southern California as their safety  
20 officer, and her story is amazing. The woman has six  
21 children, really no formal education. She came to prison  
22 for doing all the wrong stuff with the wrong people, and  
23 she made a decision to change her life, and one of the  
24 things that helped in some way was the CALPIA CTE  
25 program. They kind of gave her some foundation. She's

1 very successful.

2           We brought her back for the last two  
3 graduations, and part of the notion there is, you know, I  
4 got to get up there and speak because the role I'm in,  
5 but they I don't believe care a whole lot about what I  
6 have to say; right? Whatever. So when she gets up there  
7 you can actually see these ladies refocus. You can see  
8 them start to tear up. You can see them starting to  
9 connect the dots and see that there really is the stuff  
10 that we've been telling them is not bull shit, it's real  
11 shit, and, if they do this and they work hard, they have  
12 an opportunity to change their life.

13           What I love about Vera is she doesn't get up  
14 there and paint this pretty picture. She get's up there  
15 and tells them the truth. Your hard work is going to  
16 start the day you leave prison, but, if you're engaged  
17 and you want to do this, there's a support network out  
18 there to help you be successful and you can get where I  
19 am. The response to her has been amazing, absolutely  
20 amazing.

21           We were at FWF a couple weeks ago, and one of  
22 the ladies that was FWF actually served time with Vera in  
23 CIW. And she got up, and she seen Vera starting saying,  
24 "Look at you. Look at you." And the woman was just  
25 overwhelmed with emotion. It was funny, at the end, she

1 came up and tried to hug -- tried to give Vera a hug, and  
2 they both kind of pulled back instinctively because in  
3 prison you don't do stuff like that. And Kathy actually  
4 encouraged them to, you know, if they felt like hugging  
5 each other, go for it. So they did, and, yeah.

6 So back to the success stories. Those are the  
7 kind of stories that make all of this worthwhile. These  
8 are stories that make what we do here and do every day  
9 worth doing. So enough of that.

10 ERP Lx. I'm just throwing this out there. They  
11 aren't doing anything right now but some remediation.  
12 That's our manufacturing and accounting planning system  
13 that does accounting and shop control. But we are  
14 looking to upgrade that. We're not there yet. We have  
15 some more background work to do, vendor reviews, demos,  
16 data clean up, but, at some point, that will be coming  
17 back here. I just want to give you a heads up.

18 That concludes my comments. I know they're a  
19 little bit long, but if you got any questions, I'd be  
20 glad to answer them. Yes, sir?

21 BOARD MEMBER JENKINS: What I want to do is  
22 commend you, specifically for sending staff out to North  
23 Carolina to learn from -- because you said there were --  
24 they experienced four deaths --

25 EXECUTIVE OFFICER WALKER: Yeah.

1           BOARD MEMBER JENKINS: -- of their staff? And I  
2 appreciate that you commented safety is a priority and  
3 then acted on it. I think is really, really important to  
4 prioritize safety to that degree to go out and go to a  
5 place where people do similar business as we do that have  
6 actually lost people to try to learn from that. I really  
7 commend you from that. I think that's critical.

8           EXECUTIVE OFFICER WALKER: Well, thank you.

9           BOARD MEMBER JENKINS: You mentioned also,  
10 though, that they were ahead of us in training.

11          EXECUTIVE OFFICER WALKER: Right.

12          BOARD MEMBER JENKINS: In terms of training that  
13 they provide to their staff?

14          EXECUTIVE OFFICER WALKER: Right.

15          BOARD MEMBER JENKINS: Could you share a little  
16 bit more on that?

17          EXECUTIVE OFFICER WALKER: So their approach is  
18 different than ours. Part of the challenge we got --  
19 well, let me back up. When I started with the Department  
20 of Corrections back in 1986, you went to work at in the  
21 institution like everybody else. You worked in the  
22 building, you ran the tiers, you ran chow, you worked all  
23 the watches. Didn't matter where you were ending up in  
24 that prison, you did that at least at Folsom. Back in  
25 the day, Folsom was here and Department of Corrections

1 was over here. But it gave everybody an insight to what  
2 they were really getting themselves into; right.

3           And the other thing that happened back then is  
4 there used to be a civilian academy at the maritime  
5 academy down in Vallejo. So there was a much broader  
6 perspective of training and the reality of where you're  
7 actually working. So what we do now, and I'm not trying  
8 to be critical, we've got here over the years. There's  
9 just things we need to better I think. We do some  
10 on-the-ground training, but it's very minimal. I think  
11 eight hours of block training, and then they're given  
12 some keys and they're turned loose into that institution.  
13 And I don't know they have a full understanding of what  
14 they're getting themselves into.

15           And part of the challenge we got is we have this  
16 HFM program that's working on different watches, and  
17 they're working in remote areas at the institution  
18 sometimes, and we have a person that's turned loose with  
19 some offenders that may have 20 or 25 years in that are  
20 good at manipulating people. And so what they do in  
21 contrast -- and we have an on-boarding program up here,  
22 and we try to get them up there in the first 90 days, but  
23 sometimes 90 days doesn't work and it ends up being  
24 120 days. And it's really unfair to them to be put in a  
25 situation where they don't have the tools, skills,

1 knowledge, abilities, awareness to operate as effectively  
2 as they should be able to.

3           We've been fortunate, I think, that no other  
4 tragedies have happened in California. That's why it  
5 resonated with me in North Carolina, let's see if we can  
6 learn from them. So what they do is they bring people  
7 up, and they give them eight hours of training the first  
8 day to make them aware of what they've gotten themselves  
9 into. And then there's some additional training, I  
10 think, in the first 30 days that gets more in depth.  
11 It's a three-day training that really talks about how to  
12 operate in there, how to understand if you've been  
13 compromised, what do you do if you think you've been  
14 compromised. All of these things that will help these  
15 folks identify early on when there's a situation going on  
16 that may be out of control or getting out of control.

17           And Debi Kamakani, who I sent back there, is our  
18 chief of HR -- it was interesting because one of the  
19 folks that went through the training actually shared with  
20 the class that he had to go home and talk to his spouse  
21 because he wasn't sure that he fully understood what he  
22 signed up for, and he wanted to make sure that he had  
23 that conversation with his wife about, you know, where he  
24 was going to be working every day and some of the safety  
25 concerns that are out there and some of the things that

1 can happen.

2           So I think we just need to focus on it more.  
3 We're going to partner with the Galt Training Center,  
4 Stacy over there, and learn some things, and I just want  
5 to expand that to make sure that we get to these folks  
6 timely. We don't spend three or four months of them  
7 working on the job before we give them that training, and  
8 we make sure that that training is good delivery of  
9 information so there's not just us checking a box on this  
10 thing saying, hey, we trained you. I want to make sure  
11 it's interactive and that we got an awareness and  
12 understanding that comes out in the training.

13           So Debi is a God send on that. She's got the  
14 lead on that, and she's going to frame all that up and  
15 put together a process for doing it better. Does that  
16 answer your question?

17           BOARD MEMBER JENKINS: It does. Thank you.  
18 That's helpful. I also want to say I absolutely endorse  
19 the effort to share more information on the success  
20 stories. Michele and I were having a conversation on the  
21 side, and it's amazing how many people maybe even in the  
22 system don't know of all the good work that CALPIA does  
23 and some of the programs that positively impact so many  
24 inmates. So, whatever can be done to kind of share the  
25 more success stories, I just wholeheartedly endorse it.

1 EXECUTIVE OFFICER WALKER: Yeah. I mean, that  
2 is our story; right? So, if we don't have that out  
3 there, we're not doing everything we should be doing.

4 Any other questions or comments?

5 BOARD MEMBER AGHAKHANIAN: I have a couple of  
6 questions. So, first of all, the first question is  
7 regarding the employment opportunity with the laundry  
8 company that we started.

9 So, for some of us who are out there also  
10 dealing with a lot of private entities out there or big  
11 companies, if we're out there soliciting or starting a  
12 conversation about what we're thinking about doing, an  
13 example being the laundry, what industries are we ready  
14 for right now, if we're interested in looking into the --

15 EXECUTIVE OFFICER WALKER: So I don't  
16 necessarily want to narrow it down too much because  
17 there's still two models. So what I'm looking for, as  
18 relation to customer model, is areas where I think  
19 there's an enough margin in there that it could make  
20 sense for a company.

21 So, like, at the Lancaster chemical plant down  
22 there where we do all our chemicals, there's an ability  
23 because there's a margin there and there's capacity for  
24 us to do the customer model. And that stops -- some  
25 entrepreneur out there wouldn't have to go out and

1 provide that infrastructure, the machinery, and all that.  
2 We could agree upon a price that works for both of us,  
3 and then we can provide that product. So that works,  
4 laundry works, eyeglasses, quite frankly, would work.  
5 The customer models, those are some of the constraints, I  
6 think, if it's going to be a good fit for the both.

7           The employer model, they've got a model they  
8 think they can come in and set up shop, and it makes  
9 sense to them. Anything is available to them. The  
10 challenge is -- and what happens with that a lot of times  
11 is the folks that want to do that sometimes think somehow  
12 because they go in that prison that now they'll have a  
13 preferential treatment when it comes to government  
14 contracts, and that's just not the case; right? And so,  
15 when they start to explore that -- or they think that  
16 they can pay them so substandard minimum wage; right?  
17 And you can't do that either. So, when they find out  
18 those two constraints, a lot of them throw in the towel,  
19 and say, "I'm not in."

20           So there is still some areas out there. We got  
21 five of them running now. We probably used to have  
22 twenty of them in the state, most of them have gone away.  
23 But the customer models we're talking about, I think  
24 there's some real opportunity in those areas I just  
25 mentioned for somebody to come in and partner with us and

1 make that work for both sides of the fence.

2 BOARD MEMBER AGHAKHANIAN: And then Google just  
3 announced their going to put up 20,000 new homes; they  
4 put a billion up. Something that we've talked about  
5 construction; right? And, look, I know the strongest  
6 companies, you know, don't expect to get contracts, but  
7 PR wise it's a good thing; right?

8 EXECUTIVE OFFICER WALKER: Right.

9 BOARD MEMBER AGHAKHANIAN: So I think, if we're  
10 also predicting these things coming our way, start an  
11 early conversation with even Google. They're going to  
12 build 20,000 homes; right? We can --

13 EXECUTIVE OFFICER WALKER: Sure.

14 BOARD MEMBER AGHAKHANIAN: Because we emphasize  
15 heavily on the construction during the graduation.

16 EXECUTIVE OFFICER WALKER: Right. One of the  
17 things that I'm trying to push more is bringing employers  
18 in. So you say "start a conversation" and looking at our  
19 program; right? Because I want to make sure that the  
20 program, the fidelity of the program, matches what they  
21 need out there. I want to make sure that those -- that  
22 what we're training those folks on is what they need to  
23 have successful employees. And I think we are because  
24 we're partnering with the union so heavily to do that in  
25 our curriculum, but I still want to expose those

1 employers to those opportunities for a couple of reasons;  
2 one, I want to make sure we're hitting the mark on that,  
3 but, two, there's also barriers for employers to hire  
4 ex-offenders; right?

5           So one of the things we learn from NIC is that  
6 we can help break those employers barriers down by  
7 exposing them to that workforce and having that  
8 conversation and seeing them at work and understanding  
9 the skills that they're developing and the work effort  
10 and having conversations with them. I think all of those  
11 things help to build that trust level that these folks  
12 are going get out there and be an asset to their company.  
13 We, I, need to do a better job of getting employers in to  
14 look at those programs. So I'm going to schedule Felipe  
15 to come out and look at all those programs.

16           BOARD MEMBER AGHAKHANIAN: The third one is the  
17 young lady who spoke at the graduation. I was there and  
18 I thought she was brilliant. You know, maybe we can see  
19 if we have a little bit of budget in PR to have her to  
20 become a spokesperson for us. You know, if you noticed,  
21 a lot of companies build around a character; right?

22           EXECUTIVE OFFICER WALKER: Right.

23           BOARD MEMBER AGHAKHANIAN: You look at  
24 commercials you now see a figure. I can -- if this  
25 person, who was so eloquent and success story and can

1 relate, we can build a campaign around her and, you know,  
2 put a little budget to have her go and, you know, testify  
3 or we can even build merchandising around her, if we want  
4 to, as being the person that everyone can relate to. I  
5 think that's something that can help us, not only, you  
6 know, address some of the concerns we have when it comes  
7 to outside entities and looking at it, because what I'm  
8 seeing even with some of the non-profits out there now  
9 are bringing that person, that individual, that image  
10 that really portrays what they do, and I think she kind  
11 of embodies everything we do.

12 If there is a possibility to look into it, to  
13 have this person go on either tours with us, or go  
14 testify in front some of the elected officials, but even  
15 as far as going as far as having posters, merchandise,  
16 having that face that people can relate to because her  
17 story, I think, is what we're all about.

18 EXECUTIVE OFFICER WALKER: It is. It is. So we  
19 certainly want to engage her. She has a full-time job,  
20 so I'm also mindful of that. I don't want to screw that  
21 up either.

22 BOARD MEMBER AGHAKHANIAN: But you can pay her  
23 to be an independent contractor.

24 EXECUTIVE OFFICER WALKER: Yeah. But she still  
25 has a full-time job and a family down there. So I'm

1 going to certainly use Vera. I'm going to engage Vera in  
2 this process and to the extent that she can help us  
3 because she wants to; right? She wants to give back.

4 So we talked about a couple of things. There's  
5 a laborers union down there that has a big open house in  
6 September, and they bring in all of the employers. And  
7 so I talked to her about going with me down to that event  
8 and talking to those employers and having conversations.  
9 Because she's the perfect -- because I can go in there  
10 and tell them anything I want, but she's the perfect  
11 person to show them and tell them, and they'll be able to  
12 connect the dots on the employer, Gallo Construction, all  
13 those things.

14 So we've had those conversations. We'll  
15 continue to strategically put her in front of those  
16 audiences to help grow that. And part of this process as  
17 well is going to be finding other success stories that we  
18 can do the same thing.

19 BOARD MEMBER AGHAKHANIAN: Thank you.

20 EXECUTIVE OFFICER WALKER: Any other questions?

21 BOARD MEMBER DAVISON: I just want to comment.  
22 The video that CDCR put together, that little five-minute  
23 video, is very powerful. And to have her speak and have  
24 that video along with it because when you see her, I  
25 mean, she's a beautiful young woman, and then you see her

1 in that video and she's on her job. She's in her hard  
2 hat, she's got no make up, and she's in her, you know,  
3 zone, pounding nails and doing her thing. So I think  
4 that that would be a really powerful thing to have along  
5 with her when she's communicating her message, because  
6 otherwise it was hard for me to see her that way. I do  
7 remember her from CIW many years ago, working at PIA,  
8 but, from where she is now, I think it would be a good  
9 thing for those employers to see her on the job.

10 EXECUTIVE OFFICER WALKER: You know what's  
11 funny --

12 BOARD MEMBER DAVISON: As well as the way she  
13 puts on the --

14 EXECUTIVE OFFICER WALKER: -- is I didn't  
15 recognize her for a second. The video, the on the job  
16 course.

17 BOARD MEMBER DAVISON: Exactly. Exactly.

18 EXECUTIVE OFFICER WALKER: Because she blended  
19 in very well with the rest of the construction folks.

20 BOARD MEMBER DAVISON: Which is why she's  
21 successful. Then another comment, you had mentioned to  
22 me about getting the employers -- the way we have the  
23 employer forum every year, how ever long we've had it,  
24 instead of having it in a big outside arena to have it  
25 actually somewhere where those employers can come in and

1 actually see what PIA does.

2 EXECUTIVE OFFICER WALKER: I think you got --

3 BOARD MEMBER DAVISON: You mentioned that.

4 EXECUTIVE OFFICER WALKER: Yeah. You got to  
5 make that connection.

6 BOARD MEMBER DAVISON: Right. I think that that  
7 would be effective as well.

8 EXECUTIVE OFFICER WALKER: Yeah. I think the  
9 employer forum is that place because it's a photo op more  
10 than a lot of other things. I want to help. It simply  
11 can break down those barriers on both sides.

12 BOARD MEMBER AGHAKHANIAN: One question. So,  
13 again, for the person who is working and obviously time  
14 is a concern, are we compensating her for her time or  
15 not? Because, I think, if we do create some kind of a  
16 compensation contract, she might end up showing up to  
17 more of these.

18 EXECUTIVE OFFICER WALKER: Yeah. I just want to  
19 be judicious about that. She's got a career right now  
20 that she's following. I don't want to over-promise and  
21 under-deliver on that. We are paying for all her travel  
22 and her stay and all that, but we are not compensating  
23 her for her time.

24 So, for the record, I forgot to mention, we need  
25 to mention that Michele Steeb has joined the meeting.

1 FYI. Any other thoughts or comments before we move on?

2 BOARD MEMBER MARTIN: I'm going to make it  
3 really brief. There's a huge, huge shortage of labor and  
4 construction as we all know, and I can tell you we went  
5 to at least ten hiring places last year to try and do  
6 this all over the state, northern California. Some went  
7 to the Yukon, who I sent you the contract --

8 EXECUTIVE OFFICER WALKER: Right. Right.  
9 Right.

10 BOARD MEMBER MARTIN: And some of the laborers  
11 locally and throughout, there isn't enough labor out  
12 there to staff the work that's out there. My youngest  
13 laborer up in Truckee is 48 years old. My oldest laborer  
14 is 82 years old. So the labor force is ageing and no one  
15 is coming in. We need to find laborers to continue these  
16 programs, and construction is an integral part of keeping  
17 us going in the infrastructure. So anything that PIA can  
18 do to get them out into the workforce for us, we welcome.

19 EXECUTIVE OFFICER WALKER: Yeah.

20 BOARD MEMBER MARTIN: Thank you for all that you  
21 do in joining with the unions, but, as you said, you  
22 really got to get the contractors out there even before  
23 they leave the gates, because we can help them once they  
24 leave the gates and help them get on their feet.

25 EXECUTIVE OFFICER WALKER: So we met with Lenny;

1 right? He's with laborers. Lenny Gonzales? Lenny?  
2 Leonard Gonzales, Laborers Union? Part of what we're  
3 doing with those folks is having them come out and talk  
4 to the offenders about parole and make that connection.  
5 So hopefully we can keep doing that, and there's also a  
6 big open house I guess they have in September or  
7 February.

8 WORKFORCE DEVELOPMENT CHIEF VUONG: Graduation  
9 or events, yeah.

10 EXECUTIVE OFFICER WALKER: Yeah. Where they  
11 shared with me that they actually have few offenders that  
12 come back as their success stories, and they film those.  
13 I asked them to send me videos of those as well. But,  
14 yeah, anything you can do to help me help you help them  
15 I'm certainly willing to do that as well. You know that  
16 role better than I know it, and I'm trying to get my  
17 hands wrapped around it, and what can we do to break down  
18 those barriers and give those folks an opportunity for  
19 access.

20 BOARD CHAIR DIAZ: I believe I should probably  
21 make you -- connect you with Bill Muniz. He's CDCR's  
22 Prison to Employment contact, and he is directing that  
23 effort from CDCR's side.

24 BOARD MEMBER MARTIN: Thank you.

25 EXECUTIVE OFFICER WALKER: He's everywhere.

1 BOARD CHAIR DIAZ: All the time.

2 EXECUTIVE OFFICER WALKER: Everywhere. Any  
3 other questions comments?

4 BOARD CHAIR DIAZ: Thank you, Mr. Walker. If  
5 there are no other comments, we will move on to Action  
6 Item A.

7 EXECUTIVE OFFICER WALKER: Action Item A is  
8 Approval of the Annual Plan. Not a whole lot of changes  
9 there. The revenue is going to increase about  
10 2.5 percent, \$6.4 million to \$264 million. Primary  
11 reason for that is the fabric operation with \$6.5 into  
12 CAL FIRE single-layer pants that we've designed and are  
13 now producing for CAL FIRE.

14 The Optical benefit, which I'll talk more about  
15 later, also looks like it will be coming back. The  
16 Assembly and Senate met and looks like they've come to an  
17 agreement on moving that program forward and refunding --  
18 or funding, I should say, the Medi-Cal benefits for  
19 optical, starting January 1st of 2020, and that will  
20 drive about \$4 million in revenue for the next year.

21 Cost of Goods Sold are also estimated to  
22 increase 3.2 percent, \$6.4 million. About 2.9 of that is  
23 driven by general salary increases, so the employees have  
24 negotiated salary increases. So we're happy to push that  
25 stuff forward, and that's about 2.9. If you're looking

1 for the document, it should be behind Tab A in your  
2 binder.

3 BOARD MEMBER AGHAKHANIAN: I move approval of  
4 CALPIA proposed annual plan for fiscal year 2019.

5 EXECUTIVE OFFICER WALKER: I got a couple more  
6 points if you want to hear them.

7 BOARD CHAIR DIAZ: Yeah, I do.

8 EXECUTIVE OFFICER WALKER: Thank you, Armond.  
9 Gross profit is going to remain about the same,  
10 \$59.9 million.

11 Selling and Admin expenses are estimated to  
12 decrease about 0.2 percent of \$57.7 million.

13 Talked about the joint venture program already.

14 Pro Rata increased about 18.5 percent or \$1.5,  
15 and we have no control over that. That's just our  
16 portion of funding the state government.

17 The other thing that's in there is the Chapter  
18 50 Statute, SB 84, that requires us to pay back a loan to  
19 the Pension Fund. So our increase on that is about \$1.2  
20 million.

21 So, at the end of the day, it looks like we're  
22 still going to do about 1 percent net gain on the profit,  
23 \$2.9 million.

24 The other thing that I'll mention, and I  
25 mentioned a little bit earlier, we're decreasing the

1 number of budgeted offender assignments, and the reason  
2 why we're doing that is we're kind of just chewing up  
3 those numbers of what we actually need. Some of the  
4 numbers out there that we had were not necessarily  
5 reflective of what we needed to operate those factories  
6 and those facilities. We're not artificially lowering  
7 anything. If we need them, that number is staying up  
8 there. We're still going to show the vacancies, but  
9 there was some areas where we didn't actually need the  
10 numbers. We're going to chew that up.

11 So that's going to cause on paper to go from  
12 about 8,093 positions down to about 291 to 7,802. And I  
13 like that 8,000 number, so I got to try to figure out a  
14 way to stay there, but, at the end of the day, it was  
15 just funny math.

16 The good news is we've actually increased inmate  
17 assignments by about 11 percent over the last year, so  
18 583 additional offenders are in positions today than were  
19 last year, and that really is the measure that I'm  
20 looking at is how many folks we got in the program. We  
21 still have a vacancy rating, so I don't want to act like  
22 we don't, but we're heading in the right direction.  
23 Certainly, with Undersecretary Allison's support, and the  
24 institution, and Mr. Diaz's support with this thing we'll  
25 continue to move in the right direction. There's a lot

1 of focus on that right now.

2 Civil service positions. We're adding 32  
3 positions to the civil service staff; 28 of those are  
4 associated with the optical that's coming back; the other  
5 four are really just some positions out there that were  
6 filled but unfunded, so I'm cleaning up all the budget  
7 stuff to make sure that everything that's in there and  
8 every job that we got, any position is actually reflected  
9 in the budget.

10 And, with that, I would recommend the approval  
11 of the Board approving that Action Item.

12 BOARD CHAIR DIAZ: So we already have a motion.  
13 I do know we have possible public comment, but are there  
14 any questions from the Board?

15 VICE CHAIR SINGH: I move.

16 BOARD CHAIR DIAZ: We have a motion, but we do  
17 have public comment on this piece of this Action Item.  
18 Do we have anything?

19 BOARD SECRETARY MURRAY: No.

20 BOARD CHAIR DIAZ: Nothing? We have a motion  
21 and a second. Second?

22 VICE CHAIR SINGH: Yeah.

23 BOARD CHAIR DIAZ: Okay. Call the roll.

24 BOARD SECRETARY MURRAY: Member Aghakahnian?

25 BOARD MEMBER AGHAKHANIAN: Aye.

1 BOARD SECRETARY MURRAY: Member Davison?

2 BOARD MEMBER DAVISON: Aye.

3 BOARD SECRETARY MURRAY: Member Jenkins?

4 BOARD MEMBER JENKINS: Aye.

5 BOARD SECRETARY MURRAY: Member Jennings?

6 BOARD MEMBER JENNINGS: Aye.

7 BOARD SECRETARY MURRAY: Member Martin?

8 BOARD MEMBER MARTIN: Aye.

9 BOARD SECRETARY MURRAY: Member Soublet?

10 BOARD MEMBER SOUBLET: Aye.

11 BOARD SECRETARY MURRAY: Member Steeb?

12 BOARD MEMBER STEEB: Aye.

13 BOARD SECRETARY MURRAY: And Vice Chair Singh?

14 VICE CHAIR SINGH: Yes.

15 BOARD SECRETARY MURRAY: And Chair Diaz?

16 BOARD CHAIR DIAZ: Yes.

17 BOARD SECRETARY MURRAY: All right. We have a  
18 motion 9 to 0.

19 BOARD CHAIR DIAZ: Motion carries. So we'll  
20 move on to Action Item B. Mr. Walker?

21 EXECUTIVE OFFICER WALKER: Action Item B is a  
22 Designation of Cash. We've made a few changes to that.  
23 Well, one change I should say. Instead of reflecting the  
24 Mid-Year Revise, the Mid-Year number, we're actually  
25 reflecting a projected number of where we are now in the

1 Designation of Cash. In the new display, projected cash  
2 balance of \$50.6 million, which is a decrease of \$4.9  
3 million or \$55.4 beginning of fiscal year 2018-19.

4           Going into 18-19, some of the drivers of the  
5 cash position are going to be the capital equipment  
6 investments. We've got about \$24 million in rollover  
7 that was approved by the Board in previous years that we  
8 still have on the books that is scheduled to take place  
9 this year. With that, there's an additional \$14.8  
10 million of new expenditures of equipment and improvements  
11 out there associated with optical and other areas where  
12 we need to shore up the enterprises.

13           I also put in there \$1 million contingency for  
14 Central Office, PIA wide. The notion behind that million  
15 dollars is there are some opportunities out there, I  
16 believe, for us to partner with people to put in programs  
17 that will help effect a different outcome for offenders.  
18 A lot of those are positive behavioral therapy programs;  
19 there are other training programs; they're talking about  
20 Alameda Pathways; there's an opportunity for us to  
21 partner with them as well; P2E Program, and also I  
22 focused some money in there because they talked about the  
23 Camp 12 Coding Program.

24           One of the things I'm trying to do is increase  
25 the offenders' pool at Camp 12/Green Valley up there,

1 where they got the new coding program and the AutoCAD,  
2 and to do that we may need to do some security  
3 enhancements of that facility to expand that offender  
4 pool. So I'm meeting with the associate direct of the  
5 female program and Rick Hill, the Warden at Folsom, I  
6 think next week to kind of talk about how we can do that  
7 smartly and increase that pool of offenders up there so  
8 we can have a broader prospective and more people taking  
9 advantage of the program.

10 So, with that, I would ask you to approve the  
11 item. I'd answer any questions you would have.

12 BOARD CHAIR DIAZ: Thank you, Mr. Walker. Do we  
13 have any cards for public comments?

14 BOARD SECRETARY MURRAY: I do not.

15 BOARD CHAIR DIAZ: Just a reminder, if you do  
16 want to make a comment, please turn the comment card into  
17 our Secretary. Felipe?

18 BOARD MEMBER MARTIN: Sorry. Do you have a more  
19 detailed summary of the \$14 million, where the \$14  
20 million is actually going to be spent?

21 EXECUTIVE OFFICER WALKER: Sure. Sure. If you  
22 go to Tab B2 and B3, I believe it is. B2 shows the New  
23 Central Office and CTE Capital, and B3 should show the  
24 New Field Capital, and those two together should equal  
25 the \$14 million.

1           BOARD MEMBER STEEB: Scott, do I remember  
2 correctly that some of these may not be realized?

3           EXECUTIVE OFFICER WALKER: I'm going through  
4 some of the stuff, particularly the rollover stuff, and I  
5 didn't want to take it out of the budget. So the budget  
6 it's accurate in the sense that it reflects everything  
7 there because I didn't want to hide anything, but there  
8 may be some things in further review that don't make good  
9 sense to PIA, and I don't have that -- I haven't had the  
10 time to go through all of those. So my notion was put it  
11 all in there, and, then, what we're going to do and I'm  
12 going to do is go through those things and look at things  
13 that maybe don't necessarily support the program as much  
14 as maybe some other stuff.

15           And so some of those things won't be realized  
16 because of that process. There's some money in there  
17 that I think that we can spend in better areas or maybe  
18 not spend at all. So I'm sensitive to the cash balance,  
19 so we're never going to get to what's reflected here  
20 because I won't get it get that low. There's a process  
21 in place to manage that, but I do, to your point, expect  
22 that some of this stuff won't be realized.

23           I tell you one of the things that's in there is  
24 viticulture, and so we're looking at viticulture and how  
25 that is going to play out because that's about a \$5

1 million spend over the next four years, and I need to  
2 understand better that pathway to employment. Not to say  
3 the program doesn't have any value, but, if we're going  
4 to spend \$5 million on that program when I can spend a  
5 million dollars over the same timeframe on the laborer  
6 program and have the same outcome, that's probably money  
7 better spent over here.

8           So it's things like that. I didn't want to just  
9 throw the baby out with the bath water. I want to take a  
10 complete look at that stuff to make a good decision on  
11 what make sense and what maybe doesn't make as much  
12 sense.

13           BOARD MEMBER JENKINS: Just a comment slash  
14 question. Scott, you mentioned that one of the things  
15 you're interested in doing is investing in more CBT  
16 programs. I'm going to hear what you say that CBT  
17 programs, like thinking for a change or can you -- how  
18 much detail can you --

19           EXECUTIVE OFFICER WALKER: One of the things --  
20 the first cracker out of the box, for lack of a better  
21 term, was substance abuse and drug treatment; right? So  
22 part of the barrier to getting folks up to the Green  
23 Valley Training Center was they were in this mandatory  
24 requirement for them to go to SUDT training, Substance  
25 Abuse and Drug Treatment. So, if I can fund a program up

1 there and have those offenders -- I could have twice the  
2 amount of offenders be available to go to the AutoCAD and  
3 the coding program, and three days a week, an hour a day,  
4 they can walk across to another classroom and do the  
5 training, that's more bang for the buck for me.

6 So that was the first notion. Then I went down  
7 and looked at the CCTRP that Michele runs and started  
8 looking at some of the other classes and cognitive  
9 behavioral therapy training programs they got down there  
10 and talked to some of the offenders down there, one in  
11 particular, and, you know, looked at that. And I want to  
12 try to understand, you know, without -- I'm not  
13 interested in taking over the world on this stuff but  
14 where it makes some sense for us to put a program in;  
15 that goes back to that UC Irvine recidivism study is how  
16 do you tie all that together. Can we integrate some of  
17 those training programs into our current program.

18 Some of the criticism we get is that we're  
19 running slave labor and we're teaching people how to knit  
20 socks and there's no transferable skill value, et cetera,  
21 et cetera. Well, if I can partner that at least soft  
22 skill notion in there with some training -- right -- that  
23 has some demonstrated outcome, my thought anyway is it  
24 started to diminish that argument that we're not  
25 providing value in the program.

1           So this kind of in its infancy. Michele has  
2 shared all the curriculum with me and the overview. Dawn  
3 has shared with me -- and this is crazy shit --  
4 Transcendental Mediation. I don't know if you guys ever  
5 heard of that. I think there's a song out.

6           BOARD CHAIR DIAZ: George Strait.

7           EXECUTIVE OFFICER WALKER: Is that right?

8           BOARD MEMBER DAVISON: It's not crazy. We did  
9 it at Folsom in the 70s.

10          EXECUTIVE OFFICER WALKER: That's the part that  
11 blew my mind. They actually did this at Folsom. I  
12 started Folsom in '86. If you talked to me about  
13 Transcendental Mediation in '86 at Folsom, yeah, we would  
14 have showed you the gate. You got to go.

15          (Laughter.)

16          EXECUTIVE OFFICER WALKER: But they did the  
17 interview. It was amazing the feedback you got from  
18 these guys, you know, 40 years ago; right? So here we  
19 are learning those lessons again. So they did a pilot,  
20 for lack of better term, at WFW, and I talked to some of  
21 the folks over there that were involved in the pilot, and  
22 it really gets them success. They got them to look at  
23 the world differently, look at the way their interacting  
24 in the world differently; instead of reacting the way  
25 they always had, which was with violence or some other

1 way, they had a better way of processing that interaction  
2 so they didn't do something that was going to get them in  
3 more trouble.

4 So things like that where there's some notion,  
5 some evidence base that this works, some outcomes that we  
6 can point to, I want to look at those is and see how we  
7 can integrate them into this program.

8 BOARD MEMBER JENKINS: Which I think is a great  
9 idea, wholeheartedly support, and I'm going to support  
10 the approval of this Action Item. But one of the things  
11 I also want to suggest is that there's a lot of  
12 literature and there are a lot of guidelines attached to  
13 how you match criminal offenders to these CBT programs  
14 like, the risk, need, and response, and part of that is  
15 not everybody needs it. It's basically about the mind.  
16 For some folks, they really don't need that kind of  
17 program.

18 So, as you're pursuing this way, the thing that  
19 I would strongly encourage -- and I'm happy to -- however  
20 I can do to kind of be involved in support of this -- is  
21 kind of applying those practices that basically tell you  
22 which individuals would benefit from the program versus  
23 those where it's a waist of time.

24 EXECUTIVE OFFICER WALKER: Anything that you can  
25 do to help us navigate those waters would be greatly

1 appreciated. We're engaging with the folks that are  
2 experts in that arena that can kind of help us. I'm not  
3 going to make those decisions. I'm going to let people  
4 who know what they're doing.

5 BOARD MEMBER JENKINS: I've spent a lot of time  
6 on it. I'm happy to help in any way I can.

7 EXECUTIVE OFFICER WALKER: Good. Good. Okay.  
8 Appreciate that.

9 BOARD CHAIR DIAZ: So it may be helpful, Mack,  
10 CDCR is examining our risk, need, and assessment tools  
11 right now. We want one that is more dynamic. The one we  
12 currently have I believe is static in a lot of areas,  
13 and, as inmates progress through their dosage of  
14 rehabilitation, we need to have a more dynamic. So I may  
15 invite you to a meeting maybe on behalf of the Board.

16 BOARD MEMBER JENKINS: I would love to do that.  
17 Thank you, Mr. Chairman. With that, I'd also make a  
18 motion.

19 BOARD MEMBER MARTIN: So I know you and I talked  
20 about the dairy, and the dairy being one of my questions,  
21 as far as, okay, why do we continue to put money where we  
22 really don't have inmates to staff. I mean, the minimum  
23 -- we just don't have Level One inmates to staff the  
24 dairy, and, if you look at the dairy operation dive down  
25 into how it does annually, obviously there's a benefit to

1 the inmates. There's always value there; right? But  
2 what value are we giving by investing this much money  
3 into a program that we don't really have the inmates to  
4 fill to begin with? And then what training are they  
5 receiving that's going to make them better and get them a  
6 job out there in the real world?

7 So those are the two things that I look at. I  
8 want to make sure that, hey, if we're investing this kind  
9 of money, there's a return, and, to me, the return is the  
10 value of the people and what the outcome is when they  
11 leave the institution; right? Not necessarily what the  
12 value is if we're losing money or not, but the value of  
13 them when they leave the institution. So I just don't  
14 see it, as I explained to you, I really wouldn't feel  
15 comfortable investing any more money into that without  
16 really doing a deeper dive as to what we need to do.

17 EXECUTIVE OFFICER WALKER: We did talk, and I  
18 think that's fair. A couple things I would just add.  
19 One, this is an interesting dynamic to me. You got a  
20 Warden back here, Janel Espinoza, that has done a  
21 tremendous job -- there she is -- of getting offenders  
22 out to the agricultural farm. We've had that  
23 conversation -- right -- down at CCWF and VSP. There's  
24 been some great wardens down there, but the outcome has  
25 been the same until she took over that program, and we

1 now have offenders out there and sufficient numbers to  
2 operate that crop farm.

3 I say that to say this: Warden Burton at DVI  
4 has pulled that same rabbit out of his hat at that dairy.  
5 So, for the first time, we actually have offenders out  
6 there, and I got to do a deeper dive on that as well to  
7 understand how does that change happen. And I need to  
8 understand because it's happened a few times. It's  
9 happened at Avenal with Wofford Warden, Carl Wofford.  
10 And it's interesting, you go along from administrate to  
11 administrate to the institution. It's been good people.  
12 Some of them are real good friends of mine, and we can't  
13 seem to fill those seats, and, then, you get a warden in  
14 there that thinks outside the box and all the sudden  
15 their seats are filled.

16 So we're going to look at that. Back to your  
17 point on the financial and fiscal responsibility. One of  
18 the things I've asked Bill Davidson and Scott Perkins to  
19 do is get a couple of folks to go look at those dairies,  
20 and help me understand better, to your point, why we  
21 should keep investing in those dairies; right? What's  
22 the outcome? And we did the same thing on crops, and I  
23 will tell you crops it's about a four-year plan,  
24 five-year plan, but it actually comes out of the woods  
25 when those last almond trees we planted come online.

1           So we don't want to see the same approach with  
2 the dairy. What are we doing that we can do better. One  
3 of the things, as I understand it, the federal  
4 government, the UNICOR, the Federal Prison Industries are  
5 operating a dairy down at Lompoc. So what can we learn  
6 from those they're operating. So I will tell you that  
7 we're going to do that deeper dive, not just on that, but  
8 all this capital before we move forward. I want to  
9 understand what the value is to PIA and is that a smart  
10 place to invest our dollar. So that's certainly on my  
11 radar, and that's the one on the tip of the spear, for  
12 lack of better.

13           BOARD CHAIR DIAZ: I would like to comment on  
14 the population piece. One of the things that CCWF,  
15 Chino, and other minimum support facilities that do  
16 provide the workforce for the dairies and crop farms. The  
17 Department has taken a push going on nearly twelve months  
18 now in integrating the population, the sensitive-needs  
19 population, that historically has never been able to  
20 participate in a minimum level one facility, minimum  
21 support facility, and it was just because of the  
22 departmental concern that these two groups in general  
23 population and sensitive needs aren't getting released to  
24 do it, but sensitive-needs population started to comprise  
25 nearly about 40 percent of our population. We were never

1 able to get that in those lower levels.

2 So since Proposition 57 we made an executive  
3 decision that we are going to safely integrate these two  
4 groups while still keeping minimum support facility  
5 criteria. No sex offenders, no violent offenders, as it  
6 pertains 6675(c). Within that criteria, we have  
7 increased our minimum support facility population over 20  
8 percent now. Because I needed that population to have  
9 them at PIA, our support facilities, our warehouses, and  
10 most importantly our fire camps.

11 With Prop 57, credits are being earned, inmates  
12 are being released faster, which is a good thing because  
13 they earn them, we don't give it. But we also have to  
14 recognize we have other needs out there, and, if it were  
15 just because of our own security concerns, like the  
16 wardens that do somehow come into a seat and now  
17 magically they get 20 percent more. It's because that  
18 warden takes a vested interest in saying, "We're going to  
19 barrel through any of your concerns. I'll sign it. This  
20 is what I want. This is what happens." That's how we're  
21 trying to get that population up on that lower levels,  
22 and it's been pretty successful.

23 BOARD MEMBER STEEB: May I ask, what are the  
24 special needs designation? So is it physical? I mean,  
25 just generally.

1 BOARD CHAIR DIAZ: Well, the term is kind of  
2 odd. It's called "sensitive needs." These were inmates  
3 who in the late '90s the Department believed we needed to  
4 provide an atmosphere that was free of gang atmosphere.  
5 So historically that's where we sent inmates who may have  
6 had crimes that weren't very popular within the inmate  
7 population, sex offenders.

8 But then it morphed. Inmates who didn't want to  
9 participate in gangs but really had no other criteria, we  
10 would send them, but what we found is that group now  
11 started creating their own gangs, their own negative  
12 atmosphere, and it just got out of control. To be  
13 realistic, and I've testified to this, we took our eye  
14 off the ball on sensitive needs, and it exploded. So, in  
15 essence, they're really no different than a general  
16 population inmate.

17 BOARD MEMBER STEEB: Yeah. Yeah. Make sense.

18 BOARD CHAIR DIAZ: Sorry for the history lesson.

19 BOARD MEMBER STEEB: No. I appreciate it. It  
20 makes sense.

21 BOARD CHAIR DIAZ: So you know. So do we have  
22 -- I know we had a motion a couple of times.

23 BOARD MEMBER JENKINS: I would offer the motion  
24 to accept this and move forward on this Action Item.

25 BOARD MEMBER AGHAKHANIAN: Second.

1 BOARD CHAIR DIAZ: Motion and a second. Call  
2 the roll.

3 BOARD SECRETARY MURRAY: Member Akhakhanian?

4 BOARD MEMBER AGHAKHANIAN: Aye.

5 BOARD SECRETARY MURRAY: Member Davison?

6 BOARD MEMBER DAVISON: Aye.

7 BOARD SECRETARY MURRAY: Member Jenkins?

8 BOARD MEMBER JENKINS: Aye.

9 BOARD SECRETARY MURRAY: Member Jennings?

10 BOARD MEMBER JENNINGS: Aye.

11 BOARD SECRETARY MURRAY: Member Martin?

12 BOARD MEMBER MARTIN: Aye.

13 BOARD SECRETARY MURRAY: Member Soublet?

14 BOARD MEMBER SOUBLET: Aye.

15 BOARD SECRETARY MURRAY: Member Steeb?

16 BOARD MEMBER STEEB: Aye.

17 BOARD SECRETARY MURRAY: And Vice Chair Singh?

18 VICE CHAIR SINGH: Yes.

19 BOARD SECRETARY MURRAY: And Chair Diaz?

20 BOARD CHAIR DIAZ: Aye.

21 BOARD SECRETARY MURRAY: All right. The motion  
22 passes 9 to 0.

23 BOARD CHAIR DIAZ: Okay. So now we will move on  
24 to Action Item C.

25 BOARD SECRETARY MURRAY: Information Item.

1 BOARD CHAIR DIAZ: Information Item.

2 EXECUTIVE OFFICER WALKER: Yes. Information  
3 Item. Scott is here from your audit firm Macias Gini and  
4 O'Connell. He was lead auditor for them this year for  
5 the Prison Industry Board audit. So I will turn it over  
6 to him, and let him speak to the audit itself, and then  
7 answer any questions that you may have of him.

8 MR. BRUNNER: Good afternoon. So you guys have  
9 your audit report (indicating), and the presentation --  
10 basically the first items we're going to go over on the  
11 first slide, on Page 3 of the presentation, is just our  
12 audit report summarized. The audit report that's on  
13 Pages 1 through 3 of this document you have here  
14 (indicating.)

15 BOARD MEMBER JENKINS: Can you hold that up  
16 again? I'm trying to find it.

17 EXECUTIVE OFFICER WALKER: It should be in the  
18 front tab, Mack.

19 BOARD MEMBER JENKINS: Thank you.

20 MR. BRUNNER: So our report -- I mean, first of  
21 all, this document is mostly the prepared by PIA, the  
22 Finance Staff, and we just contribute a couple -- a few  
23 pages in this. First, the first three Pages 1 through 3,  
24 it's our auditor's report. And just to briefly go  
25 through, we issued the report on May 13th of this year,

1 so just a little over a month ago. This issue, again, is  
2 for the '18 audit, which also includes the '17 finances  
3 in there as well.

4 First, like to say that the management, along  
5 with the oversight of this Board here, is responsible for  
6 the preparation and the fair presentation of the  
7 Financial Statements in accordance with the Generally  
8 Accepted Accounting Principles, or GAAP, including the  
9 design, implementation, and maintenance of internal  
10 controls relevant to the preparation and presentation of  
11 the Financial Statements.

12 That basically Finances responsibility, and then  
13 our responsibility is to express an opinion on those  
14 Financial Statements based on our audits in accordance  
15 with Generally Accepted Auditing Standards, not to be  
16 confused with General Accepted Accounting Standards and  
17 the other standards the Governmental Auditing Standards.  
18 Basically those standards require that we obtain  
19 reasonable not absolute assurance. So basically we don't  
20 audit everything. We just go through and perform risks  
21 and audit where we think are the higher risk areas. We  
22 don't audit every single transaction. We sample  
23 transactions and whatnot.

24 And basically what you'll see there on Page 2 is  
25 the opinion, and I've highlighted that in red here. It's

1 the six bullet point on the presentation, but basically,  
2 the opinion on the '17 Financial Statements, again, I  
3 know we're auditing the '18 Financial Statements, but we  
4 compare those, so we also include the opinion on the '17  
5 Financial Statements that we issued in the previous year,  
6 which qualified because of pension information that was  
7 un-auditable back on June 30th of '16.

8 And I know we're not presenting the '16  
9 financials in here, but if I can -- the -- if you take  
10 the '16 numbers and the '17 numbers, the change is  
11 reported also in your '17 as an expense. And, if the  
12 beginning numbers aren't accurate or aren't audited, than  
13 that change is also unaudited. Those numbers that are  
14 presented in the expenses or operating statements of your  
15 '17 numbers are qualified for that purpose. Next year,  
16 if everything goes smoothly, that qualification will go  
17 away.

18 EXECUTIVE OFFICER WALKER: Just to provide some  
19 clarification. The California State audit -- right --  
20 audits the Pension Fund for safety, industrial  
21 miscellaneous, and, for whatever reason, in 2016 they  
22 chose not to audit the safety and industrial funds.

23 MR. BRUNNER: Right.

24 EXECUTIVE OFFICER WALKER: That is primarily the  
25 funds that our employees are engaged in. Our auditors

1 don't do the audit of those funds; they basically review  
2 the findings from CSA. Since those audits weren't done,  
3 there was no findings to review. So there's no inference  
4 that there was anything wrong with the numbers, there was  
5 anything nefarious, or anything bad; they just are simply  
6 saying, we couldn't audit or review their audit, so we  
7 can't give you an opinion on that because we couldn't  
8 review it.

9           So that's how they got to a modified opinion on  
10 this. There's nothing that CALPIA could have done  
11 better, the Board, or anybody else. It was outside our  
12 control. But the were required to put a modified opinion  
13 because they couldn't review the audit.

14           BOARD MEMBER AGHAKHANIAN: Were there any  
15 impacts?

16           EXECUTIVE OFFICER WALKER: No impacts. Didn't  
17 change anything.

18           MR. BRUNNER: Any other questions so far?

19           Then we also -- there's a paragraph on page --  
20 on the bottom of 2, basically requires supplementary  
21 information, or RSI. We do perform some procedures, and  
22 the RSI we're talking about is the MD&A, and I think  
23 that's included in this report, as well as -- which is  
24 on -- starts on Page 4.

25           And then there are some schedules that are

1 behind the notes, starting on pages -- Page 44 for four  
2 pages through Page 47, that's the RSI. We don't give an  
3 opinion on that; however, we do, again, test by my staff,  
4 Finance Staff. We do look into it; we do review it; we  
5 do compare it to the other information that we will  
6 audit, but the standards don't require us to perform as  
7 much of a high level of assurance on that as we do on the  
8 rest of the Financial Statements. So no opinion is given  
9 on that information.

10 And then on Page 3 we talk about other  
11 information, and primarily the other information that  
12 we're talking about is the Financial Statements that  
13 begin on Page 48 that are classified in accordance with  
14 the State Controller's instructions. We do give an  
15 opinion on that, and basically we gave an unmodified  
16 opinion in relation to the Financial Statements as a  
17 whole. Basically we just reconciled those Financial  
18 Statements that you see on pages -- Page 20, 20 through  
19 22 -- just reconciled those Financial Statements that are  
20 in the back to the ones on Page 20 through 22 and  
21 everything reconciled fine. So we do give an opinion to  
22 that as unmodified. Any questions?

23 BOARD MEMBER AGHAKHANIAN: Just compared did you  
24 see anything that was alarming? Outstanding?

25 MR. BRUNNER: Comparatively to what?

1 BOARD MEMBER AGHAKHANIAN: Previous years.

2 MR. BRUNNER: Previous years? No. Previous  
3 years obviously, like I mentioned, the expenses were  
4 unqualified, but everything is clean with the exception  
5 -- in relation to the '18 numbers, and the '18 numbers  
6 are fine.

7 BOARD MEMBER AGHAKHANIAN: I just saw that we're  
8 renewing your contract for another three years?

9 MR. BRUNNER: Last year you did. Well, I guess  
10 a few months.

11 BOARD MEMBER AGHAKHANIAN: Where are the  
12 pastries?

13 MR. BRUNNER: Im sorry? Where are the pastries?  
14 (Laughter.)

15 BOARD MEMBER MARTIN: There's the cookies.

16 BOARD MEMBER AGHAKHANIAN: Got to get free  
17 pastries by somebody.

18 MR. BRUNNER: Any questions on the audit report?  
19 No? Okay.

20 BOARD MEMBER STEEB: May I just say, there's an  
21 Audit Committee on the Board.

22 MR. BRUNNER: Yes.

23 BOARD MEMBER STEEB: They review that?

24 MR. BRUNNER: Yeah. I spoke to you on the  
25 phone.

1 BOARD MEMBER STEEB: And there's other Committee  
2 Members; right?

3 MR. BRUNNER: Yeah. We actually had a meeting a  
4 week and a half ago or so, and I discussed this  
5 presentation and the report with them as well.

6 BOARD CHAIR DIAZ: Any other comments, questions  
7 from the Board on the audit?

8 MR. BRUNNER: There's also some more, not a  
9 whole lot. We also issue a report that's included in  
10 this at the very end, Pages 52 -- or 51 to 52. There's  
11 nothing that was noted significant that you need to worry  
12 about except that we found no issues related to internal  
13 control --

14 BOARD CHAIR DIAZ: No what?

15 MR. BRUNNER: No issues related to internal  
16 control that were discovered and no compliance issues.  
17 But, again, we don't give an opinion on compliance; we  
18 don't give an opinion on controls; we review controls  
19 just to help us in doing the audit of the Financial  
20 Statements, but not for the purpose of reviewing  
21 controls. So we don't give an opinion on controls; we  
22 just give -- we just use -- just say during our review we  
23 didn't find anything that we needed to report.

24 BOARD MEMBER JENKINS: What we can take from  
25 that as a Board that those controls are simply -- well,

1 let me put it another way. If you found some issues,  
2 obviously they would be in the report and you'd be  
3 talking to us about that.

4 MR. BRUNNER: Correct. Yes. We found nothing  
5 that we needed -- that we looked at that we needed to  
6 perform the audit on the Financial Statements.

7 BOARD MEMBER JENKINS: Okay.

8 MR. BRUNNER: That's it for this document here,  
9 the audit report. Any questions on this?

10 We also issued the report communication letter  
11 here; it's a five-page letter. Is that part of your  
12 package too? C1? And it basically points out a few  
13 things of the audit report that I haven't touched on  
14 briefly because I know we're going to touch on it here,  
15 but there was a new accounting standard that was  
16 implemented this year. Other post-employment benefits  
17 now require to be reported fully on the Financial  
18 Statements, be it full and funded liability whereas in  
19 the past it wasn't.

20 So that has been brought on to the books --  
21 brought on the face of the Financial Statements. It  
22 basically took a number that was -- if you look on,  
23 again, going back to the Financial Statements on Page 20.  
24 It basically took the number that was reported as net  
25 OPEB obligation of \$72 million last year and increased

1 that to which you see there as a net OPEB liability of  
2 \$279 million this year. So basically a \$200 million plus  
3 increase, as a result of that implementation of that new  
4 GASB Statement, Governmental Accounting Standards Board,  
5 Statement for other post-employment benefits.

6 And so, if you look on Page 21, you'll see there  
7 near the bottom for '18 Cumulative Effect of Change in  
8 Accounting Principles, that \$215 million. That was  
9 basically last years impact of that statement and getting  
10 the fund balance -- excuse me -- the net position that  
11 was reported \$27 million last year, and decrease that by  
12 \$215 million this year, to a negative \$187 million.  
13 That's basically what you started out with this year.

14 EXECUTIVE OFFICER WALKER: So, in conjunction  
15 with that, one of the concerns that I had was that looks  
16 like a dumpster fire; right? It looks like PIA is a  
17 train wreck. So, after some back and forth with the  
18 auditors, if you look at Page 9, there's a Financial  
19 Accounting there and some footnotes. It talks about  
20 that, and hoping that people will read this whole thing  
21 if they choose to criticize things because we're actually  
22 in very good shape.

23 But in there you'll see where it says -- about  
24 the fourth line up in that accounting -- there's a  
25 \$9.173,894 note, and that is actually without -- what

1 I'll refer to as funny money -- the stuff that we have to  
2 account for but not pay. That's where we ended up last  
3 year. So, after some back and forth, we agreed to at  
4 least put that there in there with some footnotes, so, if  
5 other people read this, that is the -- I don't want to  
6 say -- they're both real, but that's the actual real  
7 outcome from last year, not the \$215 million whatever it  
8 was.

9 MR. BRUNNER: And just to give you some context,  
10 if you see there, the bottom number of \$8.4 million  
11 that's on Page 9 in the Management Discussion and  
12 Analysis, that agrees to the number that you see on Page  
13 21 as the change in net position \$8,415,967. So that's  
14 what Mr. Walker is talking about. It's basically, if you  
15 want to relate this schedule that he has on 9 to the  
16 Financial Statements that we audited, and that's how you  
17 do it.

18 BOARD MEMBER MARTIN: Real quick. On Page 17,  
19 you guys did a summary of the Operating Revenue by  
20 Product Line. Did you guys do a comparison of operating  
21 expenses by product line?

22 BOARD MEMBER STEEB: Operating expenses by?

23 BOARD MEMBER MARTIN: Looking at it from a  
24 product line comparing it to the actual income so revenue  
25 against expenses on a product line item.

1 EXECUTIVE OFFICER WALKER: I don't believe they  
2 did that in this document. Bill, you got any perspective  
3 on that?

4 BOARD MEMBER MARTIN: If you can provide it, I  
5 would appreciate it. Thank you.

6 MR. BRUNNER: As I heard, I don't know if you  
7 heard that, but Page 18 there's a narrative of that.  
8 It's just not on a page of its own.

9 BOARD MEMBER MARTIN: It's not broken up the  
10 other way. If I could do comparison against operating  
11 expenses, that would be great.

12 MR. BRUNNER: Any questions about that \$200  
13 million, the other post-employment benefits? We'll talk  
14 a little bit about that here in a bit more, if you want  
15 to hold off on those questions.

16 But the other piece -- another piece here in  
17 this letter is we talk about estimates. That's estimates  
18 are a big part of Financial Statements. Depreciation is  
19 an estimate of assets useful life. So actual use could  
20 be -- an asset may be used for longer than it's estimated  
21 for; it may be shorter, but it's just an estimate.  
22 Inventories, pension, OPEB those are all estimates,  
23 especially OPEB, the Other Post-Employment Benefits, now  
24 that SB 57 was implemented. Keep in mind that that  
25 estimate, that liability, is, indeed, an estimate. So

1 even though it's a big estimate that's now on the  
2 Financial Statements, it can change greatly from one year  
3 to the next.

4 We also wanted to say that there are some  
5 particularly sensitive disclosures, and, as we've  
6 mentioned here on Page 2 of this letter, and the biggest  
7 ones are obviously the Pension Plan Note, Note 7 that's  
8 in the Financial Statements. Post-employment Benefits  
9 Note, Note 8, and Cash Reserves For Future Liability, the  
10 OPEB, and the Net Pension Liability, that's on Page 9.

11 And so those are, again, here in your Financial  
12 Statements. You got a lot of pages here 7,8, and 9. 7  
13 starts on Page 29; 8 starts on Page 36, and 9 starts at  
14 the bottom of Page 41. But, again, it gets to the, as  
15 Mr. Walker was saying, funny money. These big numbers  
16 that are on the Financial Statements, and I know that  
17 they are particularly -- can be particularly sensitive  
18 and want to make sure I tried my best to help you guys  
19 understand a bit.

20 But basically the Net Pension Liability, the Net  
21 OPEB Liability, and their related Deferred Inflows and  
22 Outflows of Resources, amount to combine net negative  
23 impact on PIA's Net Position of \$323 million, which  
24 caused the Deficit Net Position of \$195 million. So you  
25 see on your Financial Statements that you have there on

1 Page 20, \$195 million deficit there near the bottom, Net  
2 Position. But, when you consider that the OPEB Liability  
3 and the Pension Liability account for \$323 million  
4 liability of that, you can do the math, you're actually a  
5 positive if you don't include those in there.

6 But accounting standards do require that we  
7 record these and there's -- it's going to be way, way,  
8 way down the road and some people may say, "Well, we'll  
9 never be around to experience that." And maybe, but you  
10 continue to make the contributions to those plans, and so  
11 you're making the contributions, you're making an effort  
12 to pay down that liability year over year over year.  
13 Whether you'll actually see that come down or not,  
14 depends on the estimates, depends on assumptions. This  
15 past year alone the assumption for pension decreased the  
16 discount rate from seven and a -- seven and  
17 three-quarters, I think -- or seven and a half down to  
18 seven. I think they dropped down 50 basis points. That  
19 impact of that, that decrease in 50 basis points, shot  
20 the liability up.

21 A couple years ago, when the discount rate,  
22 again, being around seven, seven and a half percent  
23 actually realized about half a percent. Again, that  
24 discrepancy shot the liability up quite a bit. So  
25 there's a lot of that that's going on. So even though

1 you continue to make these contributions, that liability  
2 is still going to be going up. But, you know, this past  
3 year I would expect to see something improve since the  
4 actual realization on investments was better than seven  
5 and a half percent.

6 BOARD MEMBER JENNINGS: What you're telling us  
7 is we got an unfunded liability of \$195 million.

8 MR. BRUNNER: No. It's higher than that. It's  
9 about \$323 million. The \$125 million deficit is actually  
10 the deficit that the total Assets and Liabilities of  
11 PIA's Financial Statement, actually, transactions. \$323  
12 million is the just the Pension and OPEB portion of that.

13 BOARD MEMBER JENNINGS: What was that drop in  
14 that assumption rate?

15 MR. BRUNNER: What did that cause?

16 BOARD MEMBER JENNINGS: Yeah. There's a cost to  
17 that; right?

18 MR. BRUNNER: Oh, what did that cost? At PERS?  
19 What did it cost for them to drop it?

20 BOARD MEMBER JENNINGS: Yeah.

21 MR. BRUNNER: What did it cost you guys? The  
22 impact? I don't know.

23 BOARD MEMBER JENNINGS: I'm just curious. I was  
24 just curious what it costs because I know that, if we can  
25 keep doing that, when the market doesn't crash, we don't

1 lose as much.

2 MR. BRUNNER: Well, the Actuarial Report you can  
3 get. It's on PERS' website. Actually, the Finance has  
4 copy of the Actuarial Reports. I have copies. We can  
5 get. I don't know the actual dollar amount of the  
6 impact, but it did shoot it up quite a bit, and it's  
7 included in the Actuarial evaluations, the actual dollar  
8 amount.

9 BOARD MEMBER JENNINGS: Thank you.

10 MR. BRUNNER: Any questions on OPEB or Pensions?  
11 No?

12 There was one adjustment that was proposed that  
13 wasn't made because of it was determined it wasn't good  
14 material to the Financial Statements. It was about \$7  
15 million adjustment, and it's really the only impact was  
16 classification within the operating statement. Below the  
17 line to above the line is what we suggested to be done,  
18 and it wasn't done. And I think there was a little  
19 confusion between myself and the Finance Staff on what I  
20 was trying to recommend to them. In the end, it was --  
21 again, it wasn't material to the Financial Statements.  
22 So it didn't change our opinion to the Financial  
23 Statements. We still get a clean, unmodified opinion on  
24 the '18 Financial Statements, and Finance has said that  
25 they will go ahead and make the change going forward and

1 reporting of the amounts.

2 Other than that, I don't have any other comments  
3 or questions, unless somebody has any questions of me, of  
4 the firm, of the audit?

5 BOARD CHAIR DIAZ: No questions.

6 MR. BRUNNER: Thank you.

7 BOARD CHAIR DIAZ: Thank you. So we'll move on  
8 to Information Item D.

9 EXECUTIVE OFFICER WALKER: D. So this is the  
10 Optical Information Update. It appears, as I mention --

11 BOARD MEMBER STEEB: We don't need to approve  
12 the audit?

13 EXECUTIVE OFFICER WALKER: No. It's an  
14 Information Item. Did you approve it in the past?

15 BOARD MEMBER STEEB: Feels like we did.

16 EXECUTIVE OFFICER WALKER: We'll go back and  
17 look at that just to make sure. We'll revisit it if we  
18 need to get an approval.

19 BOARD CHAIR DIAZ: That's a good point. I mean,  
20 it's a lot of information to absorb. If it is a matter  
21 of -- maybe at the next meeting.

22 EXECUTIVE OFFICER WALKER: If there's a need for  
23 it to be an Action Item or if you would like it to be an  
24 Action Item.

25 BOARD MEMBER AGHAKHANIAN: The audit?

1           BOARD MEMBER JENKINS: My recollection is that  
2 we had -- it was an Action Item to approve the audit. My  
3 general recollection.

4           BOARD MEMBER STEEB: Yeah. I may be confusing  
5 it --

6           EXECUTIVE OFFICER WALKER: I thought we looked  
7 at the agenda, but I'll look at it again, and, if it  
8 needs to be -- if it was an Action Item, I'll bring it  
9 back next Board meeting, and you can take another bite at  
10 the apple.

11          BOARD MEMBER STEEB: I feel like even if it  
12 wasn't that it should be.

13          EXECUTIVE OFFICER WALKER: Yeah. No, I don't  
14 disagree.

15          BOARD MEMBER STEEB: It's a big part of our  
16 responsibility is fiscal oversight and this accounting  
17 change in particular --

18          BOARD MEMBER JENKINS: I would tend to agree.

19          EXECUTIVE OFFICER WALKER: So noted. So noted.

20          BOARD CHAIR DIAZ: Let's bring it back.

21          EXECUTIVE OFFICER WALKER: Optical Expansion.  
22 We talked about that a little earlier. It does appear  
23 that that's going to come -- start rolling again if the  
24 Governor approves the legislative changes to the budget.  
25 Actually, he put it in the May revise. That's going to

1 drive about a \$4 million revenue number this year. It  
2 will also drive the establishment of the third optical  
3 factory at CCWF. So we've got the architectural  
4 engineering part of that wrapped up.

5 So, as soon as that's signed into law, we can  
6 start going down that road of pushing that out and start  
7 to establish that factory at CCWF. And, in the interim,  
8 there's going to be a ramp-up period. We can't start to  
9 consider it any sooner than January 1st of 2020. There's  
10 going to take some time to get the information out there;  
11 it's going to take some time to get the provider network  
12 in place. So what we're going to do is we augmented the  
13 capabilities at Valley State Prison in Chowchilla and  
14 Solano State Prison in Vacaville to deal with the initial  
15 onslaught and be able to handle that initial onslaught of  
16 Medi-Cal when it comes up.

17 We hope to have the factory up and fully  
18 operational by January of 2021, which is a little bit  
19 further out than we talked about last time, but, after  
20 looking at that and talking to Mr. Martin, we thought it  
21 prudent of us to kind of temperate the program there. So  
22 that's the plan right now is to do that. We'll add 140  
23 vendor positions on there when that comes online.

24 The fabric operation, we're going to leave it.  
25 Looks like -- the part of it there was for the flag

1 operation and will absorb the other operations at other  
2 areas. We're going to keep the 40 offenders that are  
3 there and currently working engaged in that process  
4 somehow with that modification.

5 Oh, the other thing I want to tell you is that  
6 we went out and met some more professional estimates of  
7 costs. The \$13 million is what the Board approved and it  
8 wasn't real far off, but the reality it looks like it's  
9 going to be closer to \$16 million. Once that gets firmed  
10 up, I suspect if we do a mid-year revise, it will be part  
11 of that conversation, that mid-year revise about what  
12 that new number would look like to get that optical  
13 factory back on track.

14 The financial part of that still is that it is a  
15 good position for us to be in to provide that service to  
16 Department of Health Care Services and Medi-Cal  
17 recipients across the state. Even with the \$3 million, I  
18 think it still makes great sense for us to bring that  
19 program back. Yes, sir?

20 BOARD MEMBER MARTIN: Just a suggestion. When  
21 you put it out to bid, December through March.

22 EXECUTIVE OFFICER WALKER: Yeah. Yeah.

23 BOARD MEMBER MARTIN: That's when contractors  
24 bid the cheapest because we're all trying to load up.  
25 Just a suggestion.

1 EXECUTIVE OFFICER WALKER: Yes. Thank you for  
2 that. That's kind of where we are. I'll update you  
3 every Board meeting going forward until we are fully  
4 operational. We'll have that conversation just to keep  
5 you up to speed of where we are. Part of the process,  
6 once the Governor signs it, is the Department of Health  
7 Care Services has to do what I believe they call a spawn,  
8 which is a request of the federal government for the  
9 judicial funding. I'm being told that that's by the  
10 Department of Health Care Services that's an  
11 administrative process. There's no legislation that is  
12 required.

13 And these are the last benefits that were taken  
14 away during the 2007 and 2008 that are coming back. So  
15 everybody is kind of anticipating that is going to  
16 happen. So we don't anticipate that being an issue, but  
17 they still have to get through that process and get it  
18 approved. I would be glad to answer any questions.

19 BOARD CHAIR DIAZ: Hearing none. We have the  
20 next Information Item and to present is Thy Vuong.

21 WORKFORCE DEVELOPMENT CHIEF VUONG: Good  
22 afternoon, Mr. Chair and Board Members. As you know,  
23 CALPIA regularly reports to the Board on our IEP, or  
24 Industry Employment Program, statistics for the most  
25 recent complete quarter. So, if you go to Information

1 Item E, I will go over some of the highlights of that  
2 item.

3 The item reports on fiscal year 2018/19 third  
4 quarter, which is January 2019 through March, and so the  
5 first part that we're going to go over are the Accredited  
6 Certifications for the third quarter. So, as you know,  
7 these certifications are bestowed by nationally  
8 recognized organizations and companies to offenders who  
9 complete all requirements of a respective certification.  
10 CALPIA currently offers 127 total accredited  
11 certifications.

12 The third quarter fiscal year 2018/19, 4,723  
13 offenders are enrolled in accredited certifications  
14 statewide. In comparison for reference, our last Board  
15 meeting in April, we were at 3,851 total enrollments. So  
16 we're seeing a positive trend upwards in terms of getting  
17 offenders enrolled in those programs.

18 In the third quarter, we closed out 4,329  
19 offenders out of the courses, and being closed out can  
20 mean successful or unsuccessful. Of the successful ones,  
21 73 percent compared to 69 percent last quarter. So we're  
22 seeing a slight increase in the number of successful  
23 candidates who complete the certifications.

24 Conversely, we have 27 percent who were not  
25 successful, and not successful could be for any number of

1 reasons including them personally failing the exam or  
2 somehow they were somehow disqualified or they were  
3 unassigned to another program. So there's a decrease in  
4 the unsuccessful ones compared to 31 percent last quarter  
5 when we last spoke.

6 BOARD MEMBER DAVISON: Thy, that would also  
7 include the offender being transferred to another  
8 institution?

9 WORKFORCE DEVELOPMENT CHIEF VUONG: Yes.  
10 Correct. It could be any one of those things. So it  
11 could be voluntarily, involuntarily. It could be  
12 willful, based on the performance on the exams or other  
13 reasons. It kind of lumps all those things together.  
14 That's a good question.

15 The next section are the Apprenticeship  
16 Programs. In January 2018, we partnered with California  
17 Department of Industrial Relations to create  
18 opportunities for offenders to earn state-issued  
19 apprenticeship certificates. And the offenders needed to  
20 demonstrate proficiency in the specific occupations to  
21 successfully earn their apprenticeship. Currently we  
22 have 26 apprenticeships available statewide, and we 1,967  
23 active apprentices enrolled in those programs.

24 What I like about this partner DIR is that they  
25 are pushing for a pilot where you can input

1 apprenticeship completions directly into their database.  
2 So they trained their staff at Camp 12 to go ahead and do  
3 this. This mean no waiting on our part for that  
4 information to be live. So hypothetically, if an  
5 offender is released and they had just completed their  
6 apprenticeship that week as well, there's no waiting. An  
7 employer or we can go into the database maintained by DIR  
8 and retrieve their certifications. There's no hold or  
9 delay. That's what I really like about that.

10 So, for the State Apprenticeship Program, as of  
11 the third, 1,862 offenders registered, and compared to  
12 last quarter 1,326 registered. We saw 135 offenders  
13 complete a program at the end of the third quarter versus  
14 100 completed at the end of the second quarter.

15 BOARD CHAIR DIAZ: Thy, what chart are you  
16 looking on right now?

17 WORKFORCE DEVELOPMENT CHIEF VUONG: So sorry.  
18 It's kind of a mismatch because it's condensation of all  
19 the charts together.

20 BOARD CHAIR DIAZ: I'm sorry.

21 WORKFORCE DEVELOPMENT CHIEF VUONG: No. No. I'm  
22 sorry.

23 EXECUTIVE OFFICER WALKER: Page 3, I think,  
24 Ralph is the chart at the top of the page. I think that  
25 she's referring to.

1           WORKFORCE DEVELOPMENT CHIEF VUONG: Correct.

2           That's correct. You're correct.

3           EXECUTIVE OFFICER WALKER: Sorry, Mr. Chair.

4           WORKFORCE DEVELOPMENT CHIEF VUONG: Next, is the  
5           Transition-to-Employment Program. As you know, CALPIA  
6           continues to actively support transitioning offenders by  
7           providing customized re-entry packets to them upon  
8           release. We talked about that significantly at the last  
9           Board meeting. As we mentioned then, we are partnering  
10          with CDCR and piloting with Alameda County trying to  
11          streamline information contained in the packet to be more  
12          useful, not just for the transitioning offender, but for  
13          the probation partner and parole.

14          And so we're looking at refining that to make it  
15          more useful, user friendly, and also with the idea that  
16          those packets are not strange to the inmate just before  
17          they release. There is an introduction to that, a  
18          personal introduction to that, all the information  
19          contained in that and sort of reviewing and it going over  
20          it continuously so that they feel comfortable in reaching  
21          back out to us when they need help.

22          Something that we talked a lot about, Mr. Walker  
23          and I, is eliminating barriers to employment. He touched  
24          on that a little bit in his opening. That's going to be  
25          the new direction for the Workforce Development Branch.

1 It's something that all staff who are reporting to me  
2 that they feel 100 percent committed to. So we are going  
3 to work more directly, in terms of the warm handoff, and  
4 having those conversations with the offenders in side so  
5 that they know the available resources and continue that  
6 on the outside.

7 So, in third quarter, we generated 187 unique  
8 transition packets for releasing CALPIA offenders, and  
9 this compares with 122 that reported in the second  
10 quarter. So far we have a total of 357 transition  
11 packets have been generated this fiscal year alone;  
12 compare that to 195 that was compared total in the prior  
13 fiscal year in its entirety. So we anticipate the number  
14 of transition packets to continue to increase, and I want  
15 to give credit to our team. I've been able to walk into  
16 the situation as a new chief, which I have to -- I can't  
17 even say with a serious face, where the staff are really  
18 dedicated, and they built this. So they've strengthened  
19 the processes that we have going forward, and we're  
20 optimistic that the number for this moving forward  
21 increases.

22 BOARD CHAIR DIAZ: As part of your  
23 transitions-for-employment, are you utilizing Skype to  
24 make face-to-face interviews with probation, parole,  
25 anything at that point?

1           WORKFORCE DEVELOPMENT CHIEF VUONG: We are not,  
2 but I know parole and probations -- certain probation  
3 counties are, and we are assisting in that. If we can be  
4 a part of those conversations to help either validate or  
5 validate or give evidence to work history or their  
6 experience of each of these offenders working in  
7 different programs, we will be a part of that.  
8 Absolutely. Like a reference letter; right?

9           That's all I have for Information Item E. Does  
10 anyone have any questions?

11           BOARD MEMBER JENKINS: I have a couple questions  
12 and comments. I will start backwards.  
13 Transition-to-employment program, Alameda County is the  
14 pilot?

15           WORKFORCE DEVELOPMENT CHIEF VUONG: Correct.

16           BOARD MEMBER JENKINS: So that -- at lunch, we  
17 were having conversation about distinguishing between  
18 state parole releases versus PRCS releases. So  
19 obviously, when they're going back to Alameda County,  
20 that's the PRCS population. So this packet that you're  
21 talking about, when you're saying "transition packets,"  
22 that's the packet you were describing?

23           WORKFORCE DEVELOPMENT CHIEF VUONG: Correct.

24           BOARD MEMBER JENKINS: Because you reported on  
25 this last meeting.

1           WORKFORCE DEVELOPMENT CHIEF VUONG: I did.

2           BOARD MEMBER JENKINS: I'm still a proponent for  
3 at some point giving consideration to a broader  
4 presentation to all of CPOC. It's good that you're  
5 working with Chief Still in Alameda County. She can  
6 actually be an ambassador of sorts, but I think all of  
7 the probation chiefs will have some interest, especially  
8 if it's been piloted. So my specific question on it is  
9 this packet is an additional packet that accompanies the  
10 other previous packet that PRCS gives; right?

11           WORKFORCE DEVELOPMENT CHIEF VUONG: Correct.  
12 Absolutely. So Division of Adult Parole Operations, they  
13 have a standardize way for retrieving information  
14 pertinent to the offenders and their case load, their  
15 work experience, their certifications, their background,  
16 history, et cetera. This will be a supplement to that  
17 because I don't think -- in our conversations with DAPO,  
18 we're not sure that PIA information is included in that.  
19 We're trying to make sure that it is. That there's no  
20 gaps or breaks between that. So, yeah, you're absolutely  
21 right.

22           EXECUTIVE OFFICER WALKER: Part of the  
23 conversation that Thy is having with DAPO is just that.  
24 We met with the folks over at DAPO and asked that  
25 question because they have a transition packet as well,

1 and we don't want to duplicate effort and have additional  
2 copies of stuff out there. And so what Thy is doing and  
3 her staff is partnering with DAPO to compare and contrast  
4 those two transition packets and kind of meld them into  
5 just what she said. Ours would be basically a supplement  
6 to them, but the information is already included in their  
7 packet. One of the challenges is understanding what  
8 information is currently -- what PIA information is  
9 currently in there, and that's a big blind spot, because  
10 we talked to DAPO -- I talked to one of the agents that's  
11 been in the field 20 years, and they've never seen any  
12 PIA documentation in their career.

13           So we're trying to figure out where that  
14 disconnect is and make that connection through SOMS, the  
15 Strategic Offender Management System. That keeps that  
16 information because the counties that Thy is working  
17 with, Alameda, as a pilot, they don't have access to  
18 SOMS. So what they're doing is a data grab, not them,  
19 the record for CDCR, is doing a data grab of SOMS  
20 information for offenders returning to the PRCS to  
21 Alameda County, putting that in a safe portal where  
22 Alameda County can go grab that information and utilize  
23 it.

24           So we want to make sure that the PIA information  
25 is relevant to those offenders as part of that data grab.

1 So we're working with them to make that happen in  
2 contrast to those transition packets so they complicate  
3 each other not duplicate. And then we're going to work I  
4 think there's three deputy probation officers in Alameda  
5 County assigned to that population. We're going to work  
6 with them as well to maybe over communicate and provide  
7 them an electronic copy of that information so they got  
8 it directly from us as well.

9 We're hoping to get this and process this, not  
10 that manual, for lack of a better term. Right now we're  
11 trying to identify what's out there, what isn't out  
12 there, and how can we meld those two together.

13 BOARD MEMBER JENKINS: Okay. But definitely  
14 support the effort, I think, as I mentioned at the last  
15 meeting, and I'm pleased to hear that you're kind of  
16 focused on areas that need to be focused on, because what  
17 you heard from the DAPO agent about 27 years has not seen  
18 CALPIA information. I can assure you that comment will  
19 be mirrored by probation officers around the state.

20 The other thing I'll say too, though, again, I  
21 think it's great idea to pilot it in Alameda County. If  
22 and when you do look to broaden around the state, it will  
23 be different. Everybody has different ways of different  
24 counties of the way that they integrating the PRCS  
25 population, but I will tell you San Diego will simplify

1 it, because everybody in San Diego that returns every  
2 single PRCS goes through San Diego County goes through a  
3 community transition center that I set up when I was  
4 there. So there's a team there of multidisciplinary  
5 team, that actually takes every PRCS release. Actually,  
6 we picked them up, San Diego would come and pick them up,  
7 and that -- it would simplify the process. Not everybody  
8 does the same thing, but, again, I'm recommending at some  
9 point when you're ready, to have dialled up with Chiefs  
10 Association, and you'll get a lot of feedback.

11 EXECUTIVE OFFICER WALKER: And we're educating  
12 ourself on this, and we want to find out what those best  
13 practices are, and we are certainly have been warned that  
14 it's not going to be a one size fits all.

15 BOARD MEMBER JENKINS: One other quick question.  
16 You said earlier -- because you mentioned a couple of  
17 increases in terms of the apprenticeship program, the  
18 accredited certification, I'm curious if you have any  
19 idea of the facts that have contributed to the increases.

20 WORKFORCE DEVELOPMENT CHIEF VUONG: I personally  
21 think our Workforce Development Coordinators have had a  
22 great hand in increasing the number of participations in  
23 programs in general, and so, when they get assigned to --  
24 if their wait listed and assigned, they have greater  
25 opportunity of getting employed to a craft, finding the

1 right program assignment for them. And I think making  
2 sure that there are opportunities for inmates or  
3 offenders to find work assignments that can help them. I  
4 think they've just been doing a better job of that. What  
5 do you think, Mr. Walker?

6 EXECUTIVE OFFICER WALKER: I certainly agree  
7 with that. The other thing I will tell you is that Thy  
8 has got one of her staff members up there, a young fellow  
9 named Ron Phillips, who has just taken ownership of this  
10 program. I don't know if you guys have seen The Folsom  
11 Telegraph. There's a quote attributed to me that says,  
12 "Drive it like you stole it."

13 And Ron Phillips has driven that program like he  
14 stole it. He's phenomenal in getting that thing up off  
15 the ground. I read it; right? And I thought, bull shit.  
16 There's no way we're doing all that. So I had him come  
17 prove to me that all that stuff that they wrote about  
18 this thing was there, and, by God, it was.

19 So yeah, a lot of credibility to Workforce  
20 Development Coordinators and also Thy's staff for doing a  
21 -- they're pushing the envelope up there. They get the  
22 mission, and so they're trying to figure out ways to give  
23 those offenders better opportunity to succeed out there  
24 with that information.

25 BOARD MEMBER STEEB: Only other thing I would

1 like to just put out there is, you know, I'm just  
2 concerned about all the packets. This is a lot of  
3 information in a time, you know, I know our populations  
4 are very similar in age. They don't necessarily digest  
5 the written word the way that we might, and especially in  
6 a time where there's so much chaos and so much concern,  
7 and I love to see a more, you know, two-way process where  
8 they can be engaged in someone and ask questions, and,  
9 you know, there's just more audible and, you know,  
10 information versus just an area of --

11 EXECUTIVE OFFICER WALKER: So I'm making sure  
12 I'm tracking. Are you talking about us in our engagement  
13 with offenders or engagement with parole agents?

14 BOARD MEMBER STEEB: Probably both. But what  
15 I'm focused on exactly right now is this packet. We're  
16 handing a packet; they have a packet. They're this long.

17 EXECUTIVE OFFICER WALKER: Right.

18 BOARD MEMBER STEEB: It's just lot.

19 EXECUTIVE OFFICER WALKER: That's part of the  
20 challenge we have, and another thing that DAPO shared  
21 with us -- and there was probably four or five pieces of  
22 DAPO in the room that have lot of experience -- was that  
23 even though, you know, we've been giving them hard copies  
24 of these packets, and quite frankly a lot of those  
25 packets never see the light of day after that. So part

1 of what we're pushing is to get this stuff done  
2 electronically so that they can go grab this information  
3 as they need it, not necessarily a stack of papers or  
4 email. But we're happy to do some of that prehistoric  
5 stuff to get this thing running.

6 Another thing the Workforce Development  
7 Coordinators are doing is a significant change in their  
8 engaging those offenders and having some dialogue with  
9 those offenders about what they're going to do at a much  
10 more significant level than we've done in the past;  
11 right? Part of this notion is there has to be some level  
12 of trust between us and those offenders for them to  
13 actually tell us what they need, or tell us what those  
14 barriers are, tell us what things they need to be  
15 successful. Because if some random person in the prison  
16 asked them a question, the response to that is going to  
17 be much different than if we had a Workforce Development  
18 Coordinator that's been up there, been working with them,  
19 you know, throughout the last three years talking to them  
20 about this, putting this plan together, and all of those  
21 things.

22 So on the inside we're kind of doing that.  
23 Ralph brought up the Skype thing. So now we've got to be  
24 able to start to partner and make that connection with  
25 folks that are going to be on the outside, not just the

1 DPOs and the parole agents, but also we talked about  
2 earlier the laborers union and carpenters union. What I  
3 asked them to do is come into the prison and meet those  
4 folks that are about to parole. So the more friendly  
5 faces, for lack of a better term, these people can  
6 recognize when they go into those arenas, the more likely  
7 they are, I think, to engage in those services; right?

8           There's a lot of work to do here, and it's a  
9 target-rich environment. So we're just trying to  
10 understand the best way we can, and then plug into those  
11 areas we think can have a use for better outcomes for  
12 offenders. There's a bunch of stuff. You're program is  
13 amazing. When I talked to Alameda County and met with  
14 Chief Still, I suggested she look into it. Has she done  
15 anything? So because there's just lot of stuff there,  
16 and what a challenge, you know. If part of this is  
17 finding to your point, Mack, some best practices and  
18 evidence-based practices, and, if we got a model at CCTRP  
19 and the cognitive behavioral therapy stuff you're doing  
20 there and that works and there's evidence of that, maybe  
21 we should focus on that. So that's a conversation Wendy  
22 and I had when I was down there with her.

23           So, again, we're neophytes in this thing, and  
24 we're trying to rely on subject matter experts, but the  
25 model for the community out there has been out there

1 forever. This goes back twenty years. The more we  
2 connect to those folks on the inside to a real person on  
3 the outside, the more likely they are to make that  
4 connection when they get out. So we're going to continue  
5 to focus on that. A lot of work can be done there. We  
6 are starting to understand that.

7 BOARD MEMBER STEEB: So, for instance, are you  
8 doing, like, six months? Is there a seminar for people  
9 that are PIA that are transitioning and, you know, this  
10 is discussed? So they're not just handed a packet, and,  
11 then, at three months, there's another meeting; right?  
12 And, then, you know, maybe it doesn't need to be brick by  
13 brick at the beginning, but eventually it really is going  
14 to be one by one process. You can't mass produce this.  
15 So but early on to, you know, start to educate them about  
16 what's available, what you guys can do, how you can help  
17 them be successful, is there any of that?

18 WORKFORCE DEVELOPMENT CHIEF VUONG: We're  
19 starting to go in that direction. We have a lead  
20 Workforce Coordinator, Robin Harrington, former Associate  
21 Warden at FWF. She's on board with this. In fact, she  
22 has already begun speaking with each individually, each  
23 coordinator individually, to get sort of give them the  
24 sense of direction to come. So the idea is to have these  
25 regular meetings, in addition to, I know, DRP

1 correctional counselors. We're not duplicating that  
2 work. It's specifically to encourage them from the  
3 CALPIA perspective to keep going with this. Here is the  
4 information you need.

5 So the transition packet. I wanted to address  
6 that quickly too. It is a bulk of information. It can  
7 be a couple of inches thick, depending on their work  
8 history at PIA or CDCR in general, but we're open to  
9 feedback. In fact, of the ten different elements of  
10 criteria we have on a checklist in our Industry  
11 Employment Program, Alameda County identified only four  
12 they wanted. So that's kind of really narrowing down the  
13 information that they think is useful to them to help  
14 facilitate what they're doing.

15 So we're definitely open to all kind of  
16 feedback. We know it's overwhelming. The idea is to be  
17 more useful and have a personal engagement Workforce  
18 Coordinator to help ensure that, as they get closer to  
19 their release date, there is a sense of expectancy from  
20 them on what the next steps are, and that will continue.  
21 We want the conversations to happen with the parole or  
22 probation officer, as required, as needed to ensure that  
23 smooth transition. So the parole officer and probation  
24 officer will get a copy of that transition packet as  
25 well. They'll get exactly what the offender got before

1 he or she loses it or, you know, things happen. So  
2 they'll have a copy of exactly what we provide to them  
3 and help sort of facilitate continuous familiar  
4 information, and hopefully that we'll always be open to  
5 ways to improve in that as well.

6 EXECUTIVE OFFICER WALKER: We're pivoting;  
7 right? The Workforce Development Coordinators were a  
8 direction -- the duty statement, if you will, they were  
9 directed to do is work on committee assignments, to get  
10 people assigned to CALPIA. Some of them that we have out  
11 there they were good at that, and we need them to  
12 continue to be good at that, but we're also Thy is giving  
13 the direction to pivot back to what you're talking about.

14 So Robin Harrington is putting together that  
15 framework. What does that look like, what does that  
16 mean, what are the expectations, how often are they  
17 meeting, what are they talking about, because they all  
18 get it; right? They all get that they've got to build  
19 that connection to those offenders first, to have that  
20 honest dialogue about what's happening in their life and  
21 how can they help them be more successful. So certainly,  
22 if you got some additional thoughts and resources you  
23 want to add to that conversation, we would love to have  
24 that because we're just now starting to put that back  
25 together and giving that direction at the statewide

1 meeting --

2 WORKFORCE DEVELOPMENT CHIEF VUONG: -- today or  
3 tomorrow?

4 EXECUTIVE OFFICER WALKER: -- tomorrow afternoon  
5 -- to kind of reiterate that direction from me to them to  
6 make them understand the pivot that we're doing here on  
7 that same approach.

8 BOARD CHAIR DIAZ: Now, on the CDCR side we have  
9 been working -- and Thy is aware of this -- with the CPOC  
10 in developing a more useful reintegration package, more  
11 useful information that the counties will receive because  
12 there was a misperception at a time that parole got more  
13 information than probation. But the realty is we're  
14 giving them the same information, but it is difficult.  
15 For 58 counties out there, what they want. Some want  
16 four items, others want ten items. So, on our end, CDCR  
17 has committed to provide them as much information as we  
18 can, and they can pick and choose what they want out of  
19 it. The biggest one is the mental health information and  
20 the medical information and the third was the  
21 rehabilitative classes and the certificates they receive  
22 so they can plug them in.

23 So we have -- I think we've come along way. The  
24 communications with CPOC is really helpful, but I think  
25 anymore we're getting to place with contractional

1 counselors with the new contract that we just got CCPOA  
2 the emphasis on re-entry begins of day one of reception.  
3 That's when re-entry begins. From day one, to day zero.  
4 When they go out, getting a rehabilitative case plan,  
5 figuring out what the inmate needs are, match them up to  
6 the county they're going to. There's no reason to give  
7 someone training in a county where there's no job force  
8 out there for them.

9           It's all in communication with probation and  
10 CPOC, but we've really come a long way. And we are  
11 pushing our classification counselors to do more of a  
12 traditional counselor role, trying to peel them away from  
13 the custody role that they still have, but the  
14 responsibility is more on the rehab role to do  
15 partnership like the re-entry workforce program.

16           BOARD MEMBER MARTIN: Real quick. Are all these  
17 packets paper form?

18           WORKFORCE DEVELOPMENT CHIEF VUONG: They  
19 currently are.

20           BOARD MEMBER MARTIN: Are we looking at the  
21 digital?

22           WORKFORCE DEVELOPMENT CHIEF VUONG: Absolutely.  
23 So I missed one step. We give a paper version to them  
24 when they are released, and we have also created Google  
25 accounts for them, so that we can upload that to their

1 Google drive. So they have that indefinitely on their  
2 Google drive wherever they are. Then electronic version  
3 goes to parole or probation.

4 BOARD MEMBER STEEB: I'm sorry. What's CPOC?

5 WORKFORCE DEVELOPMENT CHIEF VUONG: Chief  
6 Probation Officers of California.

7 BOARD CHAIR DIAZ: All the county chiefs,  
8 probation chiefs I meet with them.

9 BOARD MEMBER STEEB: Okay. Got ya.

10 WORKFORCE DEVELOPMENT CHIEF VUONG: Any other  
11 questions or concerns before we go to Information Item F?

12 BOARD CHAIR DIAZ: Thank you.

13 WORKFORCE DEVELOPMENT CHIEF VUONG: As you know,  
14 lost hours -- this is an Information Item on lost hours.  
15 Lost hours is a mechanism by which CALPIA measures and  
16 analyzes production time that is lost in the field, based  
17 on the total hours available to work during the quarter.  
18 It's a really technical way of saying lost hours are  
19 really lost opportunities.

20 Lost hours means that something happens where an  
21 inmate loses an opportunity to work in an environment  
22 that's -- professional work environment, learn how to  
23 engage, soft skills, that kind of thing, working in sort  
24 of a structured environment. So those are what loss  
25 hours are and why they're so important. And there's

1 various reasons why they can occur. It can be custody  
2 reasons, vacancies, et cetera. As you can see from our  
3 charts in the exhibits, there has been a general  
4 significant decrease in lost hours in all the categories  
5 from custody, industry related and vacant categories from  
6 the second to the third quarters of the fiscal year, and  
7 I'm condensing all these charts into one.

8 In general, breaking it down by category,  
9 custody lost hours increased overall statewide due to  
10 lock downs ending at three institutions. There were also  
11 a decrease in modified programs and an emergency recall  
12 at two institutions from the second quarter reporting  
13 period to the third. Industry related lost hours  
14 decreased overall as well due to an increase in  
15 production needs and less staff redirection and absences.  
16 Vacant lost hours decreased due to the continued  
17 statewide efforts of the Workforce Development  
18 Coordinators and placing qualified offenders on CALPIA  
19 waitlist for assignments into appropriate programs.

20 Overall we see a number of institutions  
21 reporting an increase in custody lost hours, and these  
22 happen at specifically five different locations, CTF,  
23 SATF, Kern Valley, Calipatria, and Ceninela, and there  
24 are a number of reasons why that occurred, and we can dig  
25 down into that if you guys have questions about that.

1 But moving on, we also saw in the third quarter eight  
2 institutions reporting increase in vacant lost hours. We  
3 can break those down further as well, but, essentially,  
4 there is an increase in that overall but overall the lost  
5 hours category we're seeing a decrease, which is good for  
6 us and good for the inmates.

7 As mentioned, our goal is to minimize lost hours  
8 in general across all the categories, and these are lost  
9 hours -- or hours available in both work assignments and  
10 program assignments. So, as we see the decrease overall,  
11 I just want to give credit to all our field  
12 administrators because they have such excellent  
13 relationships with respect to the wardens and institution  
14 staff. Without that great collaboration, we wouldn't see  
15 the minimization and the decrease in the lost hours  
16 overall. That being said, thank you, and I'll take any  
17 questions, if you guys have any.

18 BOARD CHAIR DIAZ: I'll just point out taking a  
19 look at the lost hours in the institutions where we are  
20 the highest and it's really not having issues between  
21 gangs at these particular prisons with ongoing lock downs  
22 between Bulldogs and Southern Hispanics. Quite frankly  
23 we haven't turned the corner on it yet. So institutions  
24 are aware they need to be making adjustments to the  
25 critical workers list.

1 BOARD MEMBER STEEB: That's separate of what was  
2 announced yesterday in terms of the federal government  
3 cracking down on the areas --

4 BOARD CHAIR DIAZ: Yeah. That's separate.

5 BOARD MEMBER STEEB: That's separate? Yes.  
6 Okay.

7 BOARD CHAIR DIAZ: We're going to get to them  
8 too. They're next.

9 BOARD MEMBER MARTIN: Good luck.

10 BOARD CHAIR DIAZ: Yeah.

11 Thank you. So we will move on now to External  
12 Affairs Update.

13 EXTERNAL AFFAIRS CHIEF KANE: Good afternoon.  
14 I'm Michele Kane, Chief of External Affairs. I would  
15 like to highlight some important events and activities  
16 since our last Board meeting and that was in April. We  
17 had two big graduations; the first one we held at CIW on  
18 May 1st. We had more than 70 women receive industry  
19 accredited certifications, pre-apprentice construction  
20 labor, pre-apprentice carpentry, healthcare facility  
21 maintenance, general facility maintenance and repair, as  
22 well as our computer coding program.

23 The second graduation was at FWF. That was on  
24 June 6th. We would like to thank board members Dawn  
25 Davison and Dr. Aghakhanian for attending that event. We

1 had close to 50 women receiving certifications there,  
2 with those programs that I just mentioned, as well as the  
3 AutoCAD Program. Both of these events you saw received  
4 great media coverage which was great.

5 A couple of events to mark on your calendars  
6 coming up. Thursday, July 18th we are holding a  
7 recognition ceremony for the young men and women who are  
8 part of the Code 7370 Program in Ventura. The week  
9 after, on July 25th, we have a culinary graduation, and  
10 that's at the Folsom Women's Facility, and that's where  
11 we partner with Cosumnes River College, and these women  
12 also earn college credits with our culinary program.

13 NBC Nightly News, you may recall, they came out  
14 they did a wonderful piece. I know it's going to be  
15 great on our dive program. We're still waiting for that.  
16 Talked with the producer and that should be airing in  
17 July. They are reaching out to one of our success  
18 stories. I've been coordinating with that. So it should  
19 be a really good, good piece of NBC Nightly News.

20 BOARD MEMBER AGHAKHANIAN: What time on July  
21 18th?

22 EXTERNAL AFFAIRS CHIEF KANE: July 18th that  
23 will be at 11:00 a.m.. Both of these are at 11:00 a.m.  
24 Easy to fly in, fly out, although Ventura is a little bit  
25 tricky because you have to go to Burbank, if you're

1 coming from up north.

2 On legislative note, we're tracking three bills.  
3 That's going to create an approximately 21 distinct  
4 license plates. SB 140, I mentioned that's the Endless  
5 Summer Plate; SB 509, that's the Housing Crisis Awareness  
6 Plate; and, SB 593, is a California Professional Sport  
7 Franchise Logos, and there's about 19 plates with that.  
8 All three of these bills are being held in the  
9 Appropriations Committee, but it's looking good. If  
10 these bills are approved with the DMV, of course, they  
11 have to get the 7,500 -- I see Brian shaking his head,  
12 yes, you know -- 7,500 for all specialty plates, and, as  
13 always, CALPIA will be able to meet with these demands.

14 With that, look forward to seeing everybody at  
15 our next Board Meeting, and that's going to be at the  
16 California Men's Colony. It is set for Thursday, October  
17 10th. We are also going to be holding a graduation as  
18 well for the men down there. So that's going to be in  
19 San Luis Obispo at, again, Thursday, October 10th, at the  
20 California Men's Colony will be the next Board Meeting.  
21 And I guess that's it for the External Affairs Report.

22 BOARD MEMBER STEEB: That starts when, Michele?

23 EXTERNAL AFFAIRS CHIEF KANE: That's going to  
24 start at 10:00 a.m. for the graduation. We're going to  
25 do the graduation first. We're going to walk through the

1 programs, and it's wonderful, if you've ever be been to  
2 CMC, you can see all the enterprises. We're going to  
3 take you on a little tour, and, then, we're going to do  
4 the Board Meeting. We'll do a lunch and Board Meeting.  
5 So it's all inclusive.

6 BOARD MEMBER MARTIN: No golf?

7 EXTERNAL AFFAIRS CHIEF KANE: No golf.

8 (Laughter.)

9 BOARD CHAIR DIAZ: Thank you, Michele.

10 EXTERNAL AFFAIRS CHIEF KANE: You're welcome.

11 BOARD CHAIR DIAZ: Now we have some awards.

12 EXTERNAL AFFAIRS CHIEF KANE: Awards. Okay.

13 I'm just going to say this here. Each year awards are  
14 issued to recognize and honor CALPIA employees and  
15 supervisors of the year for both the central office and  
16 the field, and also to honor correctional officer and  
17 warden of the year, and this year we have a new category,  
18 instructor of the year. CALPIA established the Employee  
19 Awards Program that was back in 2007, to recognize  
20 employees and partners whose job performance clearly  
21 exceeds established standards and demonstrates commitment  
22 to CALPIA's core values.

23 The nominations are based on the following  
24 criteria: Concern for and helpfulness to others; pride  
25 in his or her job; consistently high-job performance;

1 actions above and beyond the call of duty; commitment to  
2 CALPIA's mission and goals; cooperative attitude; and  
3 voluntary service. So all of that is taken into context  
4 and into consideration.

5 CALPIA Awards Committee conducts a review of the  
6 nominees, and, then, selects the award winner for each  
7 category. So, with that, I am going to get up over here  
8 by Secretary Diaz, and we have people that have traveled  
9 a great distance to be here, and this is when we get to  
10 honor the folks in the field and I love this.

11 The first two awards I would like to call up  
12 Raymond Meek. I'm calling up their supervisors or the  
13 people that they report to because I could talk about  
14 them, but it's better when you have somebody that has  
15 direct contact with them. The first award recipient --  
16 come on, everybody.

17 (Drum Roll.)

18 EXTERNAL AFFAIRS CHIEF KANE: First award  
19 recipient goes to Employee of the Year, central office,  
20 and that is Jimmy Ngo.

21 (Applause.)

22 EXTERNAL AFFAIRS CHIEF KANE: So Jimmy Ngo was  
23 first appointed to CALPIA as a Staff Services Analyst, in  
24 December 2013 in Marketing Services at central office.  
25 He was then promoted to an Associate Governmental Program

1 Analyst, the AGPA position, in June 2016. Most recently  
2 he was promoted to Staff Service Manager One in Customer  
3 Service, in January of 2019, and, Ray, what do you have  
4 to say about Jimmy?

5 MR. MEEK: I can tell you that I actually was on  
6 Jimmy'S first interview panel, so I was part of the  
7 hiring group that hired him. This was his first State  
8 job as SSA for our Business Analysis Team. He then  
9 promoted in that same position, and we recently promoted  
10 Jimmy to SSM1 in Customer Service.

11 Jimmy is always helpful, always willing to do  
12 whatever it takes to meet whatever needs internally or  
13 externally, and he is just a great asset to the  
14 organization.

15 (Applause.)

16 EXTERNAL AFFAIRS CHIEF KANE: He also has a  
17 great smile. And we're going to be taking pictures after  
18 with the entire Board and the recipients, the awardees.  
19 So congratulations, Jimmy.

20 MR. NGO: Thank you so much, Michele.

21 EXTERNAL AFFAIRS CHIEF KANE: Jimmy has such a  
22 wonderful smile. Everyone in central office, yes,  
23 agrees. Talk about a positive guy.

24 All right, Ray, stick around you're not going  
25 anywhere. Our next award -- okay. Our next award --

1 (Drum Roll.)

2 EXTERNAL AFFAIRS CHIEF KANE: -- CALPIA  
3 Supervisor of the Year, central office, Pam Williams. So  
4 Pam, she has over twenty years with CALPIA in customer  
5 service so you know it gets hard. When you have to talk  
6 to customers, sometimes it's nice but sometimes not. She  
7 first came to us from the California State Lottery in  
8 October 1996 as an OT, and then she's climbed the ranks.  
9 She was promoted to Management Services Technician in  
10 2001; AGPA, 2006; Staff Services Manager One, September  
11 2008; most recently, Staff Services Manager Two, in  
12 August of 2018. And congratulations -- well, first, go  
13 ahead, Ray.

14 MR. MEEK: So I didn't hire Pam, as you can  
15 tell, but I acquired Pam, but I couldn't be happier. Pam  
16 is a great asset; she has a lot of history, not only with  
17 customers but also with our systems, and there's many  
18 times when I'm in meetings and Pam sets me straight  
19 because she knows more about the systems and the history  
20 than I do and I truly appreciate that. So, once again,  
21 Pam helps everybody out, works across departments to make  
22 sure that we all stay where we need to be and do the best  
23 job we can to service our customers.

24 (Applause.)

25 EXTERNAL AFFAIRS CHIEF KANE: Congratulations.

1           Okay. Next, I would like to call Folsom State  
2     Prison Administrator Colin Martin to assist me with the  
3     next award. Colin, we've been busy today. Today we had  
4     a tour group come through, which was wonderful and Colin  
5     was my point on that. So we have been up early, taking  
6     people through CALPIA. You've seen me all day. Come on  
7     up here. We're going to bring up our next award. Okay.  
8     So this is Employee of the Year, field.

9           (Drum Roll.)

10           EXTERNAL AFFAIRS CHIEF KANE: And this is Zane  
11     Walker, Industrial Supervisor, Metal Fab Unit, Folsom  
12     State Prison.

13           (Applause.)

14           EXTERNAL AFFAIRS CHIEF KANE: So Zane, I see him  
15     all the time when we're doing tours. He is amazing. He  
16     has 33 years of service with CALPIA. 33 years.

17           (Applause.)

18           EXTERNAL AFFAIRS CHIEF KANE: I got to read  
19     this. He was first appointed to Dual Vocational  
20     Institution in October of 1986 as an Industrial  
21     Supervisor in Metal Fab, then he transferred to FSP,  
22     Folsom State Prison, December 1996. Under the same  
23     class, he has just built a great rapport with the  
24     offenders over the years, giving advice honest answers,  
25     he also counsels them when needed. Colin can add more to

1 that.

2 MR. MARTIN: The most impressive thing with Zane  
3 is he's very proud to be an employee of CALPIA, and he  
4 demonstrates that daily. He loves his job. He loves  
5 supervising the inmates. He likes the mission. He's out  
6 there teaching. He's hands on, and he's one of the those  
7 employees I'd like to clone and put out throughout PIA;  
8 he's that employee. He's steady; he's fair and firm.  
9 We're not going to say consistent.

10 (Laughter.)

11 MR. MARTIN: He's very good. He's very good.  
12 He's one of our main guys and his knowledge is impeccable  
13 and he can teach it to the inmates.

14 EXTERNAL AFFAIRS CHIEF KANE: And that's  
15 wonderful. Congratulations to Zane.

16 (Applause.)

17 EXTERNAL AFFAIRS CHIEF KANE: And how long have  
18 you guys worked side by side?

19 MR. MARTIN: 15 years.

20 EXTERNAL AFFAIRS CHIEF KANE: 15 years together.  
21 I'll see Zane when I'm walking tour groups through or  
22 media or legislatures. Zane and Colin, these are the  
23 guys. These are the people inside. It's not us, it's  
24 them that makes a difference. So I saw you there  
25 earlier. He actually helped me with the tour this

1 morning, and he goes, "Yeah. I'm not wearing a tie."

2 You're fine. You're fine.

3 MR. WALKER: This is the only collared shirt I  
4 own.

5 (Laughter.)

6 EXTERNAL AFFAIRS CHIEF KANE: It looks great.  
7 Thank you. You know who I'm calling up next. I would  
8 like to call up Bobby Hernandez, who is the  
9 administrator. He oversees California Institution for  
10 Women, CIW, CIM, California Institution for Men, and  
11 California Rehabilitation Center. So he is the  
12 administrator over all three of these, so he's a busy  
13 man. Bobby is going to help me with the next three  
14 awardees.

15 (Drum Roll.)

16 EXTERNAL AFFAIRS CHIEF KANE: Supervisor of the  
17 Year, in the field, Melissa Bayer.

18 (Applause.)

19 EXTERNAL AFFAIRS CHIEF KANE: She is a Prison  
20 Industry Superintendent Two. Melissa started at CALPIA  
21 CIW in May 2015 as an Industrial Supervisor for Fabric.  
22 She was then promoted to her current position as a Prison  
23 Industry Superintendent Two. In addition to her daily  
24 duties, Melissa also manages the Health and Safety  
25 Coordinator Role, Flex Administrator Role for three

1 institutions, all three of those that I just mentioned,  
2 and, under Melissa's leadership, the fabric enterprise at  
3 CIW has become a role model enterprise among CALPIA  
4 fabric enterprises. Go ahead, Bobby.

5 MR. HERNANDEZ: I'm going to be a little bit  
6 more formal with because there's a couple qualities that  
7 I wanted to make sure that I didn't overlook. A couple  
8 things about Melissa. Melissa is an innovator in our  
9 field. She's an outside-the-box thinker. She's results  
10 driven; she's fully engaged and all of her peers and  
11 employees respect the heck out of her. She's only been a  
12 supervisor for a couple of years, and, within those  
13 couple of years, I've been lucky enough to see the growth  
14 within her.

15 Melissa is courageous. Like I said, she's an  
16 outside-the-box thinker, and she just is everything that  
17 a supervisor or management would want in one of their  
18 employees. So, Melissa, thank you for your support for  
19 Prison Industrial Authority and your passion for  
20 excellence.

21 (Applause.)

22 EXTERNAL AFFAIRS CHIEF KANE: And she's always  
23 one of my keys for graduation down there. She's (snaps  
24 fingers) and you, Bobby, but, yeah.

25 Okay. Next, we have Instructor of the Year.

1 (Drum Roll.)

2 EXTERNAL AFFAIRS CHIEF KANE: Jeff Powers,  
3 Diving Instructor for CIM. Where's Jeff? Where's the  
4 Navy suit?

5 MR. POWERS: You wanted me to suit up?

6 EXTERNAL AFFAIRS CHIEF KANE: Before his career  
7 as CALPIA's Marine Technology Training Center Instructor  
8 at CIM, Jeff Powers was in the U.S. Navy for 27 years as  
9 a Submarine Rescue Expert and eventually retired as a  
10 Senior Chief Petty Officer and First Class Diver. Jeff  
11 also spent 13 years teaching commercial divers at College  
12 of Oceaneering and opened two commercial diving campuses.  
13 Jeff has been CALPIA Dive Instructor for 12 years now,  
14 13?

15 MR. POWERS: I think 13. I've been saying 12,  
16 but I think it's 13.

17 EXTERNAL AFFAIRS CHIEF KANE: During which time  
18 he wrote the entire curriculum and is now followed by the  
19 crew. Under Jeff's supervision, Dive Program maintains a  
20 lower than average recidivism rate and continues to  
21 produce internationally recognized commercial divers.  
22 Congratulations to Jeff, and go ahead, Bobby.

23 MR. HERNANDEZ: I want to make sure that -- the  
24 Chief has so many qualities, and I respect the heck out  
25 of him, and I'm so thankful to be able to work with him.

1 But one of things I want to make mention of is that Jeff  
2 has a tough job, and Jeff's been tasked with training  
3 everyday felons into divers, welders, riggers,  
4 construction supervisors, mechanics, and most importantly  
5 men. His crew and his peers respect him.

6 He runs that place hard nosed and mirrors that  
7 of the private industry, and Jeff has been like a true  
8 breath of fresh air for me. He's helped me out in  
9 multiple times. His un-relentless commitment to  
10 excellence and leadership is why Chino divers are  
11 considered some of the most highly trained and  
12 sought-after divers in the industry. Jeff, you're  
13 definitely a key contributor in changing offenders lives  
14 and making the state a safer place, and, for that, we  
15 thank you.

16 (Applause.)

17 EXTERNAL AFFAIRS CHIEF KANE: He's not here;  
18 right? So he's not here. So just do this out of ---

19 (Drum Roll.)

20 EXTERNAL AFFAIRS CHIEF KANE: This is for our  
21 Correctional Officer of the Year, and that is Sonny  
22 Garcia, and that's down at CIM as well, and these guys  
23 they work, I mean, face-to-face with Sonny. So he has  
24 more than 18 years experience with CDCR. So talk about  
25 Sonny real quick since this will be on our Board notes,

1 and we can send it to him.

2 MR. HERNANDEZ: Well, one thing about Officer  
3 Garcia he's professional, he's compassionate, he's  
4 committed and understands PIA's program, and he's an  
5 integral part of our success at the California  
6 Institution for Men. He treats all the offenders with  
7 dignity and respect, and he's a true team player, and  
8 he's an absolute pleasure to work with.

9 MR. POWERS: Yeah. I mean, with all the venues  
10 that we try to get done, all the stuff that PIA is trying  
11 to get done, Sonny sees the mission, and he helps us out  
12 every time he can. Besides the fact that where PIA is  
13 located at, we really don't get any information. Yards  
14 go down, all kind of stuff happens, and we're just out  
15 there. Sonny makes sure that we get the information,  
16 that we're safe, and that we don't get forgotten about.

17 (Applause.)

18 EXTERNAL AFFAIRS CHIEF KANE: You guys give this  
19 to Sonny. All right. Thanks, you guys. Thank you.  
20 Thank you.

21 Last, but not least, I would like to call up Jim  
22 Lasek the administrator at Central California Women's  
23 Facility and Valley State Prison to help me now with this  
24 prestigious award, and we're also going to probably be  
25 calling up the Secretary as well for this one. Okay.

1 Now, this is the last one, so here we go.

2 (Drum Roll.)

3 EXTERNAL AFFAIRS CHIEF KANE: This is the Warden  
4 of the Year. This is the big Kahuna, Warden of the Year  
5 Janel Espinoza.

6 (Applause.)

7 EXTERNAL AFFAIRS CHIEF KANE: So a little  
8 background on Janel. She has been the Warden or Acting  
9 Warden at CCWF since July of 2017. She served as the  
10 Chief Deputy Warden there from 2016 to 2017. Come on  
11 over here, Janel. Congratulations.

12 She previously served as an Associate Warden at  
13 SATF, the Substance Abuse Treatment Facility, at  
14 Corcoran, from 2009 to 2016; correct? I'm hoping I'm  
15 saying all this right. Then she also served multiple  
16 classifications at SATF from 2002 to 2016, including  
17 Correctional Administrator, Facility Captain,  
18 Correctional Counselor Supervisor. Espinoza began her  
19 career as a Medical Technical Assistant at Wasco State  
20 Prison, and she worked at Corcoran State Prison as a  
21 Correctional Counselor One from 1991 to 2002, and I know  
22 you have been crucial part to CALPIA success, and I'm  
23 going to let Jim talk about that, and then also I'm going  
24 to bring up Secretary Diaz as well. So go ahead, Jim.

25 MR. LASEK: CCWF struggled for several years on

1 lost hours on getting inmates to the enterprises inside  
2 the institution and also the minimum custody level. When  
3 Janel came, we sat down, we talked about the minimum  
4 custody and about getting inmates on time. She made it a  
5 point that we got inmates within a week. She didn't care  
6 what they had to do. They got inmates on time at 7:00  
7 o'clock, not five after, not quarter after, it was  
8 7:00 o'clock. Then she sought out and she ensured all of  
9 her counselors that we expect minimum custody inmates  
10 outside. We were running anywhere from two to four, if  
11 we were lucky, inmates on the outside. Sometimes we  
12 didn't have any inmates on a drop off.

13 So after Janel after six months, we went from  
14 three to four up to around eight inmates. Within eight  
15 to nine months, we were up to fifteen inmates. How she  
16 did it, no one knows, but her dedication and what she  
17 does and how she talks to her counselors and what her  
18 expectations are is amazing. I've never seen a Warden  
19 take minimum custody with nothing and create inmates like  
20 this. So I'm very thankful, and all of PIA is thankful  
21 that we have her at CCWF. So thank you, Warden.

22 EXTERNAL AFFAIRS CHIEF KANE: Now we're going to  
23 bring up Secretary Diaz.

24 BOARD CHAIR DIAZ: I don't know if she wants me  
25 to do. You went over her bio, and I can say I've known

1 Janel since 1999. So that goes back twenty years, if my  
2 California education is right, twenty years. But I can  
3 tell you just watching Janel grow into the position that  
4 she's in, she's right where she needs to be at the right  
5 time.

6 I have supervised Wardens. I have been over  
7 some really tough missions, but there is no tougher  
8 mission than the Department of Corrections, but the most  
9 rewarding mission in the Department of Corrections the  
10 female offender program. To be an a Warden over a female  
11 institution, I would say Janel, with the Wardens that  
12 I've experienced at female facilities are probably at the  
13 top three, one of them sitting here that had led  
14 institutions, female mission, Janel is there. Her  
15 classification background, her custody background got the  
16 numbers that you're seeing. Her ability to see through  
17 problems, to work through problems, and to put her name  
18 on a piece of paper and say I made the decision. That  
19 gets you to where she's at now, to get the inmates where  
20 they need to be, to get them to rehab as necessary.  
21 Couldn't be more proud. Thank you, Janel, for what you  
22 do.

23 (Applause.)

24 EXTERNAL AFFAIRS CHIEF KANE: Hold right there.  
25 Congratulations to everybody.

1 (Applause.)

2 EXTERNAL AFFAIRS CHIEF KANE: And now for the  
3 award recipients to come forward and for Board Members  
4 and Scott. I need you up here. I'm sorry. Hey, we're  
5 on Instagram, did I tell you that? This is on Facebook,  
6 Instagram, so make sure your hair looks good. We're  
7 going to be spreading the word. We're tagging everybody.  
8 We're liking everybody, so please. Tweet us out  
9 whatever.

10 (Thereupon the Award Recipients and the Board  
11 Members gathered together to have pictures taken.)

12 MR. PHOTOGRAPHER: Those of you with awards,  
13 please tilt them forward a little bit. Perfect.

14 EXTERNAL AFFAIRS CHIEF KANE: Now, I need  
15 smiles.

16 MR. PHOTOGRAPHER: Big smiles, everybody. One,  
17 two, and three. Hold it.

18 EXTERNAL AFFAIRS CHIEF KANE: That looks really  
19 good. Michele, take off your glasses on the top. There  
20 you go. That looks good. Warden, yeah, that looks good.  
21 They just get reflective sometimes.

22 MR. PHOTOGRAPHER: All right. You all ready?  
23 Big smiles. Ma'am tilt your award forward. There you go  
24 right there. One, two, and forward again, ma'am. There  
25 you go. Hold it. Almost done. Right there.

1           EXTERNAL AFFAIRS CHIEF KANE: Michele, can I see  
2 you?

3           MR. PHOTOGRAPHER: Got it.

4           (Applause.)

5           BOARD CHAIR DIAZ: The meeting is not officially  
6 over.

7           BOARD MEMBER MARTIN: Until it's over.

8           BOARD CHAIR DIAZ: Until it's over. So now I  
9 will open it up for -- I know we had several public  
10 comment opportunities. Do we have any cards for public  
11 comment?

12          BOARD SECRETARY MURRAY: I do not.

13          BOARD CHAIR DIAZ: Seeing none, hearing none.  
14 Is there a motion to adjourn?

15          BOARD MEMBER JENKINS: So moved.

16          BOARD MEMBER STEEB: Second.

17          BOARD CHAIR DIAZ: Let's call roll for this.

18          BOARD SECRETARY MURRAY: Chair Diaz?

19          BOARD CHAIR DIAZ: Aye.

20          BOARD SECRETARY MURRAY: Vice Chair Singh?

21          VICE CHAIR SINGH: Yes.

22          BOARD SECRETARY MURRAY: Member Steeb?

23          BOARD MEMBER STEEB: Aye.

24          BOARD SECRETARY MURRAY: Member Soublet?

25          BOARD MEMBER SOUBLET: Aye.

1 BOARD SECRETARY MURRAY: Member Martin?

2 BOARD MEMBER MARTIN: Yes.

3 BOARD SECRETARY MURRAY: Member Jennings?

4 BOARD MEMBER JENKINS: Jennings of Jenkins?

5 BOARD SECRETARY MURRAY: Jennings, I'm sorry.

6 Oh, he's not here. Okay. Member Jenkins?

7 BOARD MEMBER JENKINS: Aye.

8 BOARD SECRETARY MURRAY: Member Davison?

9 BOARD MEMBER DAVISON: Aye.

10 BOARD SECRETARY MURRAY: And Member Aghakhanian?

11 BOARD MEMBER AGHAKHANIAN: Aye.

12 BOARD SECRETARY MURRAY: All right.

13 BOARD CHAIR DIAZ: This meeting is adjourned at  
14 331 hours.

15 (End of Proceedings.)

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## 1 C E R T I F I C A T E O F R E P O R T E R

2  
3 I, MICHELLE M. WILSON, a Certified Shorthand  
4 Reporter, do hereby certify:

5 That I am a disinterested person herein; that  
6 the foregoing California Prison Industry Authority  
7 meeting was reported in shorthand by me, Michelle M.  
8 Wilson, a Certified Shorthand Reporter, and thereafter  
9 transcribed under my direction, by computer-assisted  
10 transcription.

11 I further certify that I am not of counsel or  
12 attorney for any of the parties to said meeting nor in  
13 any way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand  
15 this 24th day of June, 2019.

16  
17  
18 /s/Michelle Marie Wilson  
19 Michelle Marie Wilson, CSR 14303  
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22  
23  
24  
25