

STATE OF CALIFORNIA

DEPARTMENT OF CORRECTIONS AND REHABILITATION

PRISON INDUSTRY BOARD

PUBLIC MEETING

WEDNESDAY, JUNE 25, 2014

**GREEN VALLEY TRAINING CENTER
995 FOLSOM LAKE CROSSING
FOLSOM, CALIFORNIA**

ORIGINAL

REPORTED BY:

**ESTHER F. SCHWARTZ
CSR NO. 1564**

CAPITOL REPORTERS (916) 923-5447

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ATTENDEES

BOARD MEMBERS:

- JEFFREY A. BEARD, CHAIR
- DARSHAN SINGH, VICE CHAIR
- ERIC ALEGRIA
- ESTEBAN ALMANZA
- WILLIAM DAVIDSON
- CURTIS KELLY
- KIRA MASTELLER
- MICHELE STEEB
- RAY TRUJILLO
- JEANNE WOODFORD

STAFF:

- CHARLES L. PATTILLO, EXECUTIVE OFFICER
- SCOTT WALKER
- MICHELE KANE
- RUSTY BECHTOLD
- GARY BUSH
- RAYMOND MEEK
- PHYLLIS GUARE

COUNSEL:

JEFF SLY

GUEST SPEAKER:

NONE

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1 **FOLSOM, CALIFORNIA**

2 **WEDNESDAY, JUNE 25, 2014, 10:20 A.M.**

3 **---oOo---**

4 CHAIR BEARD: Good morning, everybody.
5 Sorry I was a little late. Try next time not to do
6 that. My morning just got off to a funny start
7 today.

8 So if you'd all check your cell phones if you
9 haven't. Make sure they are turned off. We will go
10 ahead and get started. It's 10:20 I'm going to
11 call this meeting of the Prison Industry Authority
12 to order. And it is being held in a publicly
13 notified, noticed location. And I'm going to begin
14 by asking the Board secretary to call the roll.

15 MS. GUARE: Good morning, everybody.

16 Chair Beard.

17 CHAIR BEARD: Here.

18 MS. GUARE: Vice Chair Singh.

19 MEMBER SINGH: Here.

20 MS. GUARE: Member Alegria.

21 MEMBER ALEGRIA: Here.

22 MS. GUARE: Member Almanza.

23 MEMBER ALMANZA: Here.

24 MS. GUARE: Member Davidson.

25 MEMBER DAVIDSON: Here.

1 MS. GUARE: Member Kelly.
2 MEMBER KELLY: Here.
3 MS. GUARE: Member Masteller.
4 MEMBER MASTELLER: Here.
5 MS. GUARE: Member Saito.
6 Absent.
7 Member Steeb.
8 MEMBER STEEB: Yes.
9 MS. GUARE: Member Trujillo.
10 MEMBER TRUJILLO: Good morning. I'm
11 here.
12 MS. GUARE: Good morning.
13 Member Woodford.
14 MEMBER WOODFORD: I am here.
15 MS. GUARE: Chair Beard, we have a quorum.
16 CHAIR BEARD: Let the record show we have a
17 quorum. I want to welcome everybody here today.
18 Pleased to be here. We don't have a lot of these
19 meetings, but the ones we do have I think are
20 important, and I appreciate all the work that staff
21 does putting these meetings together. Appreciate
22 the time that the Board takes to be here. I know
23 that all of you have other things that you could be
24 doing. But it is important that we be here and have
25 an opportunity to help, I guess, advise Prison

1 Industries and move them forward as they need to do
2 an awful lot of positive things for the California
3 Department of Corrections.

4 This June meeting is the meeting when the
5 Board adopts the annual plan for the Fiscal Year
6 2014-2015 and considers the Prison Industry's annual
7 budget and what to expect in the upcoming fiscal
8 year. It's also the meeting where we recognize some
9 of the outstanding employees for Prison Industries
10 as well.

11 So at this time I would like to invite any
12 Board Member who has any comment they would like to
13 make.

14 Okay. Hearing none, I would like to ask the
15 General Manager for his comments.

16 MR. PATTILLO: Morning, Mr. Secretary and
17 Members. My name is Chuck Pattillo. I'm the
18 General Manager of Prison Industry Authority and the
19 Executive Officer of Prison Industry Board. We do
20 have a court reporter today, so when I am speaking
21 remind me to slow down. I am told I speak too fast.

22 With me today is Assistant General Manager of
23 Operations, Scott Walker, as you all know. The
24 Secretary mentioned this is significant for two
25 reasons, for the Board Meeting. One is the passage

1 of the annual plan or budget presentation of the
2 annual plan. The second one is the recognition of
3 staff. And while they are both significant, the
4 second one is probably the most important thing we
5 do every year, is recognizing the staff. I think
6 it's all work. This is not a five-man show. This
7 is a 720-person show right now. Along with
8 approximately 6,600 added offenders this year.

9 The staff that are recognized today are voted
10 on by their peers. In addition to those folks that
11 we're going to recognize, I want to recognize the
12 person, the gentleman to my left here. He was
13 recognized this year by a vote of 49 other states as
14 the staff member of the year for the National
15 Correctional Institute Association for the entire
16 United States. So, Scott Walker. He received that
17 award when we were in New Orleans for the annual
18 conference.

19 I also want to thank the Board Members. Every
20 one of you I spoke with several times in the last
21 quarter, whether it's to answer a question, ask a
22 question or go out on tours. I had some really good
23 tours this last go-around. Ms. Woodford and I
24 toured a couple locations in San Francisco that are
25 serving PIA offenders when they get out. Ms.

1 Masteller and I, along with the Secretary, were in
2 Ventura for a very good graduation.

3 Curtis Kelly's group has been facilitating
4 meetings with us for some of our labor unions that
5 do some of our installation of our modular
6 furniture.

7 I especially want to thank Member Almanza who
8 would like me to forget his private line, I think
9 sometimes. I call him so many times on DGS issues.

10 Mr. Singh, as usual, any time we need
11 something, we can call Mr. Singh and get some advice
12 very quickly. I appreciate your help, Mr. Singh.

13 The other members, I know I didn't hit
14 everybody. Bill, ask I a lot of questions of you.
15 And Eric was gracious enough to do his briefing in a
16 parked car last night. I appreciate that. As
17 always, Ms. Steeb, I'm glad to see you here. Thank
18 you very much.

19 I think that I covered our all my Board
20 Members. Mr. Saito is not here. He had a board
21 meeting that was running at the same time.

22 As we go through here, this is the annual
23 plan. So my notes and comments are, basically,
24 covered in the annual plan. But when we're talking
25 about what is going on with PIA, we start with what

1 the challenges are. You write those challenges down
2 and figure out how to turn them into opportunities
3 as much as possible.

4 The things that are going on this year that
5 are very challenging for us, we're setting up a
6 healthcare facilities maintenance program at all 34
7 locations at once. It is not too often we run into
8 those kinds of challenges, but we are up for the
9 challenge. And Scott will talk a little bit more
10 about that.

11 We are now employing 5 percent of the entire
12 prison population. That is a number we've been
13 striving to reach. With the new 6,600 number of
14 positions help, but what also helped, honestly, is
15 the population came down a little bit. So we kind
16 of met in the middle.

17 The other issues that are coming up for us is
18 the reconfiguring of our IEP Program. As you know,
19 we've run a HR shop for offenders. Basically, we
20 take their application. We figure out what their
21 skills are, and then we push them out the door. Say
22 bye to them and say, "Go forth and do no more sins
23 and go get a job." What's happening now is the
24 reentry facility that we have now, we have 13 hubs.
25 So not many people are actually paroling anymore

1 directly from PIA. They're actually going to three
2 hubs where they're doing their final time in. So
3 we're having to reconfigure our IEP programs where
4 we're able to touch them after they leave versus
5 touching them and not speaking to them again for a
6 couple of months, and then they parole.

7 So we're reconfiguring our whole program right
8 now. And to be one that more integrates with EDD
9 and work force investment boards out there. So we
10 can direct these folks out to existing resources
11 that are already there, rather than trying to
12 reinvent the wheel.

13 We may ask some of the operations committee
14 members, when we do meet, it's an all day session.
15 A couple folks would have to meet with staff to talk
16 about this.

17 One of things I'm very looking forward to is
18 CDCR education just appointed a new superintendent,
19 Brant Choate. And in the back here is Shannon
20 Swain, Deputy Superintendent from CDCR. Brant
21 Choate, I've been familiar with him for ten years.

22 Mr. Trujillo, you're familiar with him also
23 when he was deputy of Charles Jones Skill Center.
24 He also was L.A. Superintendent of Education. It's
25 been a great partnership. What we looked at the

1 other day, we brought him out here the other day.
2 We have what is called TIE programs where we're able
3 -- let me give you an example.

4 Let's say we have a metal fabrication plant.
5 We have a welding shop right next to that. Those
6 folks are being trained in welding before they even
7 get to it. We demonstrate this here at Folsom. We
8 have GED. We have a welding shop right there, right
9 next door to our fabrication. It's a great model.
10 Dr. Choate saw it the other day. It looks like
11 we'll be able to push a few more of those out.

12 Before changes in the vocational education the
13 last couple years, we had eye glass classes right
14 next to our factory. So this concept made sense, to
15 get more folks through the gate.

16 Half-time assignments. Looking at assignments
17 that can be served half time, especially in the
18 substance use program. There is no reason -- if any
19 of us had a substance abuse problem, we'd still have
20 to work and go at night. We're looking at programs
21 on how we can measure those two together.

22 Ms. Woodford took me down to San Francisco to
23 see a couple of the programs that are out of the
24 prison down there. The same provider is doing work
25 inside the prisons. We are hoping to work that out.

1 Addition of a CFO. We finally have a CFO
2 after two years of searching. Gary Bush is back
3 there. Raise your hand. There is Gary Bush. Gary
4 comes back to us. He was with us. He was at
5 CalPERS. Thirty years prior to that he spent all of
6 his time working with KPMG in Europe where he was
7 recruited from the first time around. So I'm glad
8 to have that position filled. Unfortunately, on
9 that very same day our CAO, the Secretary hired him
10 to be the head of labor for Corrections. So we lost
11 Devin when the Governor appointed him to the CDCR.

12 Things coming up. The Employers Forum. We
13 have two Employers Forums; one in August, one in
14 September. We did these a couple years ago around
15 the state where we brought employers, CDCR, us and
16 local sheriff's department and the work force,
17 investment board, together to meet and talk about
18 the benefits of hiring ex-offenders. What that did
19 was one, shows these employers what the benefit was
20 to them. It also gave us a pool of employers that
21 were willing to hire ex-offenders. So we were able
22 to redirect these people right to those employers,
23 instead of them trying to find a location.

24 Our showroom. We are back on. I think
25 everybody here remembers our showroom down on 18th

1 and X. We got bought out of our lease. In the last
2 four years we've been in a little hovel in the back
3 side of the receiver's building on the other side of
4 county jail. We can see everybody that gets
5 released out of county jail. They come to stand in
6 front of our show room. We'll be out of there in
7 probably about six months. Our new building will be
8 on 19th street. We've leased about a 5,000 square
9 foot building. We will be able to have our Board
10 meetings there. CDCR used it extensively down
11 there. It was a great benefit to all of us.

12 OPEB continues to be an issue. Other
13 Post-Employment Benefits. It is growing. The cash
14 balance, if you saw, the cash balances are going to
15 be the end of the year \$55,000,000 for other
16 post-employment benefits. Unfortunately, when folks
17 see the balance there, especially the Department of
18 Finance and the Legislature, they think that cash
19 may be used for other things. We have the CFO
20 talking with the Secretary, working with
21 Corrections, working with PERS, working with Finance
22 to figure out a way to set that money aside.
23 Because we're setting that aside for future
24 obligations, liability we have. I can't afford to
25 have that money drawn down, and we get ourselves in

1 an insolvent position through no fault of our own.
2 So we are working to set that aside.

3 The last two things is our recidivism study.
4 AB 109 had an effect on lots of us as it had on
5 everybody. If you look at our numbers right now,
6 the number of folks who exited PIA and came back, we
7 look really good. We look better than we've ever
8 looked because people aren't coming back for certain
9 reasons. They're not coming back directly to prison
10 at all times. Some are being redirected to
11 counties, and some we don't know where they're being
12 redirected.

13 So it's a new formula for saying what exists.
14 So is not a comparison of now versus a couple years
15 ago. There really isn't a comparison. We have to
16 work those numbers out. We'll probably activate a
17 new study in about six months after we get all data
18 from this year and doing it on the third party
19 independent, going out to bid.

20 The last part is staff development training.
21 We have significant money put in staff development.
22 As you can seen from healthcare facility
23 maintenance, our employee base has grown to
24 implement that program. It's a five to one, five
25 inmates, five offenders versus one staff. That is

1 how intensive it is. Our contract with the
2 Receiver's officer is for cleaning all medical
3 facilities. That is driving 180 positions. So we
4 are putting a lot of money in training.

5 In addition, I need to put more money for
6 training to keep the staff that we have. Right now
7 the secession planning we are looking at. I will
8 submit to you that half the executive staff are
9 eligible for retirement right now, including myself.
10 So looking at that and looking at what is coming
11 behind us, we've got to get more people up, trained,
12 ready to go so there's no break, no gaps, anything
13 like that. We will talk more about that when we get
14 into the budget.

15 I'll have Scott start off with the information
16 item on HFM. The reason we're starting off with HFM
17 is because it's driving most of our budget. If we
18 answer the questions here, we'll get right into the
19 budget and get through this.

20 Any questions?

21 MS. WOODFORD: I have one question. You
22 spoke about recidivism. Is there a new definition
23 by the Department or by PIA as to how you're
24 measuring it? It used to be return to prison.
25 Well, of course, that really isn't so accurate.

1 MR. PATTILLO: I think it varies according
2 to varying aspects. I think, in general, people are
3 speaking recidivism as returning to any type of
4 custody where we measure it.

5 MEMBER WOODFORD: Are you able to track
6 that?

7 MR. PATTILLO: We're working on it. Not
8 all the tracking systems are there. CDCR has the
9 lead on ensuring that -- making sure that they're
10 seeing people coming back into county or coming
11 back. I know the Secretary gets a lot of data on
12 this. I don't think it's all consistent by county
13 yet. We will get there.

14 CHAIR BEARD: The problem is that we can't
15 track the counties because you have 58 different
16 counties, and they don't all measure things the same
17 way or anything else. We have three measures, not
18 only returns. We had arrests and convictions. So
19 arrests and convictions, I think, are still things
20 that we can look at and still measure from before.
21 But return to prison is a totally new ball game
22 today. Since you're not getting any technical
23 violators, obviously, that's going to make a big
24 change. So it's going to take some time, I think,
25 to flush things out. It's going to take time for

1 the counties to all start really collecting the
2 stuff that they should collect. So, for a while,
3 it's going to be very difficult to do some of that.
4 It's beyond the arrest and conviction.

5 MR. PATTILLO: One of the angles that we
6 actually have is something that the Board approved a
7 couple years ago. Everyone that comes to PIA has to
8 fill out a job application, a very extensive job
9 application. We are able to track that data in a
10 database. We normally call these folks to make sure
11 they are still out. We're checking on the jobs. So
12 we can run it that way. That's very time consuming
13 to do that.

14 MS. WOODFORD: Thank you.

15 MR. PATTILLO: Any other questions?

16 Like to turn it over to Scott real quick for
17 the first information item.

18 MR. WALKER: Good morning, Mr. Chair and
19 Board Members. My name is Scott Walker. I'm the
20 Assistant General Manager for Operations, and I will
21 take you through the healthcare facility maintenance
22 update.

23 As you may recall, we entered into a
24 partnership with --

25 Tab D. Turn to Tab D.

1 We have entered into a partnership with CCHCS,
2 the Receiver's Office, and CDCR to implement a
3 healthcare facility maintenance program statewide at
4 all 34 institutions. Initially, we were doing one
5 contract at the bed institution at California City.
6 So it totally there will be 35. This is the
7 background --

8 MEMBER STEEB: D?

9 MR. WALKER: Tab D, as in dog.

10 This is a result of the federal court order
11 Plata versus Brown. And one of the key elements in
12 the court order was to bring the clinical spaces in
13 the institutions up to standards of care that is
14 consistent with community hospital. Really, that is
15 the basis of this program. That is our goal. Our
16 goal is not to make the prison clinical space look
17 like a good prison clinical space. It's to make the
18 clinical space in the prisons look like it would in
19 a community hospital. That's going to take a lot of
20 work. We're up to the challenge, as Chuck said.
21 This is driving a significant cost in resources
22 within PIA. As he mentioned, we're looking to hire
23 probably 180 additional staff in PIA, which is a
24 significant increase. It's a significant workload
25 and significant scope, but we're going down that

1 road.

2 We have had some hiccups with this program
3 thus far. It's not been without issues. All of the
4 issues we've discovered so far aren't issues that we
5 didn't recognize were going to be there, but some of
6 those hills are a little steeper than we thought.
7 The big one, and continues to be the big one, is
8 recruitment of that staff. Trying to find qualified
9 staff, identifying those staff, get them in the
10 process. That is a significant challenge,
11 particularly in some of the remote areas. Here at
12 Folsom we've had great luck. We have a flier for a
13 position, we get 40 applications. You do that same
14 flier in the Sierras for Jamestown, Sonora area, you
15 don't get any. So it's really a challenge to get
16 those folks in the door. We continue to work on it.
17 We're working with CWIB, as Chuck mentioned earlier.
18 We're going to the local communities. We're handing
19 out fliers. We're doing Craigslist, monster.com.
20 Home Depot. The local at home healthcare workers as
21 well. We're also targeting them. But it is an
22 ongoing challenge. Getting those people on board is
23 a significant challenge.

24 Having said that, we're holding our own at
25 this point. There has been some setbacks in some of

1 the areas. I say setbacks; it's more of an internal
2 thing than external. You listen to the feedback
3 from the clinical folks out there - the doctors,
4 nurses, the custody staff. Without exception all of
5 them believe the areas are much better than they
6 were when we took them over. I believe there is a
7 lot of things we have to do to resolve those things
8 out there. We're working on those.

9 We've activated ten institutions so far. We
10 have another 20 or 25 to go. So not without error,
11 not without issue, but we've done a pretty good so
12 far. The feedback is that we're doing a much better
13 job than was done. We still have to raise the bar a
14 bit.

15 Part of the challenge is that we are going into
16 ten institutions where we have no presence. We've
17 never been there before. So part of the logistics
18 to that is introducing that institution to PIA,
19 introducing that institution to how PIA works and
20 those expectations. That's taking a little bit of
21 effort. A lot more effort than we thought it would
22 take. There is just a vacuum out there when it
23 comes to making that communication stick with those
24 folks. We are really working hard on that.

25 Michele Kane will be up here later, our Chief

1 of External Affairs. She's doing a video that we
2 plan to show to the offenders and institution staff
3 prior to our arrival. Just to give them more
4 information about the program. I don't want to
5 sound as if they're not supportive because they are.
6 This is just new. It's different and, really, this
7 is not a program where you cannot perform the
8 functions on a daily basis. Right. So if something
9 happens, it's not okay just to shut the program down
10 for the day and come back tomorrow. We have to do
11 this every day the same way.

12 So that's kind of a nuance out there that a
13 lot people aren't yet comfortable with. But we're
14 working with them. DAI, Department of Adult
15 Institutions, is on board. We have another
16 statewide conference with all the boards and CEOs to
17 just kind of put forth some of the issues we've
18 seen, lessons learned at the first institutions, out
19 there to try to make this thing a little smoother, I
20 should say.

21 The contracts went back to contract,
22 \$65,000,000 contract for a three-year period, about
23 \$27.7 million per year. So that's good for us, but
24 there is certainly a lot of costs, as Chuck
25 mentioned, that are coming along with that revenue.

1 There will have to be a public hearing some time in
2 the fall, spring of next year.

3 MR. PATTILLO: Yes, spring.

4 MR. WALKER: Spring of next year. Our
5 current revenue is about \$12.7 million. We plan to
6 exceed that this next fiscal year, which will
7 require a public hearing that we'll have to do to
8 raise that revenue limit.

9 180 positions, we talked about. 900
10 offenders. Maybe the most important part of this
11 thing is certainly one of the challenges we've had
12 rolling out is the approach to offender's training.
13 It is very intensive. And making that happen,
14 happen regularly, is part of the nuance out there.
15 An example would be at one of the institutions where
16 there is no PIA program, the education staff go on
17 hiatus. They take a couple weeks off, and they shut
18 down all the education programs. Well, our training
19 program is behind the work gate that goes to the
20 education program. So, normally, that officer is
21 redirected for that period of time and, right, we
22 can't do that because we have to continue training.
23 There are some of the challenges out there in the
24 institutions that haven't been addressed. They're
25 working with us. We're putting the program together

1 so those folks have a notion of how it is going to
2 impact them.

3 The 900 offenders is really the key to this
4 thing. This is what we're here for. This is why
5 PIA exists. There are certification programs. We
6 currently have seven external certification programs
7 for our offenders. We are running them through. We
8 plan to get more. We're going to seek some ISSA
9 certifications, International Sanitation Standards
10 Association accreditation for this program. It
11 mirrors ISSA in a lot of ways, but it validates this
12 program meeting all the standards that are out there
13 in the community. Along with that, we're also
14 working with them to pilot the first ever
15 certification for individuals.

16 So they currently don't do that. They don't
17 currently have a program that certifies individuals.
18 They have a program that certifies entities to say
19 that they are doing it according to the processes,
20 but they don't have certification for individuals.
21 We're in conversations with them. Haven't got there
22 yet. Establishing that. We'll be the first in the
23 nation where they are actually certifying
24 individuals. So hope that gets off the ground in
25 the next few months. There is a lot of heavy

1 lifting there as well.

2 The last piece I will share with you is the
3 job market, when they get out. It's increasing
4 about 12 percent over the next several years. A
5 significant opportunity for those folks to get out
6 and become gainfully employed. Chuck talked about
7 the partnership we established with DGS and
8 Mr. Almanza about employing them in the DGS
9 buildings when they get out. SEIU supports that as
10 well. So it's going forward. There are no fatal
11 flaws. A lot of heavy lifting.

12 The staff, PIA staff, has done a tremendous
13 job of putting this thing together and executing in
14 the short time we've got. An 18-month window to
15 activate 35 enterprises. That is just a lot of
16 work. They've done a great job doing this. We've
17 had great support from CDCR. Have great support
18 from CCHCS. Without that, obviously, wouldn't be
19 successful, but we've come a long ways and we have a
20 ways to go. But great effort so far.

21 I would be glad to answer any questions that
22 you have?

23 MR. PATTILLO: Anything on that specific
24 issue?

25 MEMBER ALEGRIA: Mr. Walker, you mentioned

1 the barrier in terms of the recruitment. Do you
2 feel like that might slow the implementation of
3 reaching out to all these institutions to the spring
4 of next year?

5 MR. WALKER: That's a good question. It
6 slowed us at Sierra not in the sense that we didn't
7 kick Sierra off. What we had to do at Sierra was we
8 had to start out with a smaller footprint. It
9 impacted us there directly.

10 The other thing that we've done, because of
11 some of the challenges of getting people on board,
12 it sort of slowed down the implementation. What's
13 happened, I think right now -- originally, we were
14 scheduled to be done in March of 2015. We pushed
15 that out a month to April of 2015. And part of the
16 reason was the employment. We were getting staff on
17 board, but we weren't getting them all on board.

18 So we've trained two of the five or three of
19 the five. So what we're going to do by pushing
20 everything out a month, we're going to take one of
21 the training teams -- we currently have three
22 training teams out there. We're going to take one
23 of them and go back to the institutions that have
24 already activated and retrain the staff. To make
25 sure they got good training on the policies so there

1 is consistency.

2 The big thing about this and the change from
3 where it was before is just that, standards and
4 consistencies. There were none before. There were
5 institutions that were doing a great job. But most,
6 as I said before, was through personal effort. You
7 had somebody who really cared about the program
8 doing a great job. Other ones where they weren't
9 necessarily properly trained or had proper
10 resources, not so much.

11 And so we're really trying to create a
12 standard out there. Like I told my staff, I would
13 rather have all 35 institutions do it wrong
14 consistently than I would have 35 different
15 solutions out there. At least if I know they're all
16 doing the same, I can make a tweak and move it
17 forward. The staff hasn't impacted the rollout.
18 We're adjusting that a month. That is one of the
19 things that impacted us, but it is a contingent.

20 MEMBER ALEGRIA: [Inaudible].

21 MR. WALKER: It is. It is. I got some
22 feedback last night. We have auditing jobs. There
23 will probably be other parts of the same recognized
24 later on. We really have to measure our success in
25 rolling this thing out. So part of the model, we

1 create auditing to go out and audit, which we're
2 going to have external audits. For example, OIG.
3 Have the expert panels out there looking at this,
4 the Department of Public Health. We didn't want to
5 get caught flat-footed.

6 Part of cost in this as well is having
7 auditing go out there and audit us before, so we can
8 find our own deficiencies. So we've done three
9 audits to date. Two are still in draft. The first
10 one was poor. The second was worse. The third one,
11 when we started to get our feet underneath this,
12 when I got a phone call last night, was Calipatria,
13 and their words not mine, it's day and night.

14 They feel we've finally got this in a place
15 where it's turning corners. If we go back to the
16 first few, when I say they're bad, that is what I
17 mean. Those are internal documents right now. And,
18 again, the information, the feedback from both those
19 institutions, that institution has never been that
20 clean. They've never seen it that good. What I
21 told the CEO is that I appreciate the feedback, but
22 from my perspective we have a long way to go. So
23 they also appreciate that fact. So a lot of hard
24 work, a lot of challenges, but I think we're up to
25 it. Hopefully -- I mean there's going to be some

1 glitches. There are issues that happen out there.
2 We're going to be able to overcome.

3 MEMBER ALEGRIA: Thank you.

4 MEMBER STEEB: Are we able to cover costs
5 with some of these surprise visits?

6 MR. WALKER: That's a real good question.
7 Chuck brought that up to me the other day when he
8 sees the costs. I say budget is important, right.
9 Very important. But execution is more important
10 right now. So I still anticipate we're going to be
11 able to cover costs. Part of it we built into the
12 contract, was a revisit in September of this year.
13 I figure by September we have been in this thing six
14 or seven months. We want to sit down and talk about
15 it. We put this model together under a lot of
16 pressure to get it done. No excuses. We just had
17 to do it somewhat on the fly.

18 So we based the whole state on a quick
19 evaluation of five institutions. And I made that --
20 repeated that to everybody so everybody understands
21 this wasn't some long drawn out comprehensive
22 evaluation. And every physical plant out there,
23 while there is some -- they're alike, but there are
24 a lot of differences, a lot of different programming
25 challenges. There's the HIPAA program, a healthcare

1 improvement program which changes the footprint.

2 Long story short, in September we're going to
3 sit down again with the Receiver's office and talk
4 about here's where we were then and here's where we
5 are now. Some of the costs are going to go up.
6 Some of the institutions will need more resources,
7 more staff. So they get that. They also have a
8 project director who is participating with our
9 audits. And he's Gary Swarthout of Solano before he
10 retired. Really good guy. Familiar with licensing.
11 He's kind of seen some of those same things with
12 certain institutions where they need some additional
13 resources.

14 At the end of the day, when we get done,
15 certainly I hope this thing all lines up. And we
16 expect that it will at this point. There is a lot
17 of costs up front to get this thing running. We
18 will not make any money this year. That is for
19 sure.

20 MEMBER KELLY: Did you do any research on
21 outside staffing: What they get paid? What we are
22 allowed to pay? Is that maybe one of the problems
23 we have recruiting people?

24 MR. WALKER: Yes and no. We didn't do any
25 -- obviously, you're not going to talk to people

1 about their jobs. Those salaries are negotiated by
2 Cal HR. We don't have a lot of wiggle room there.
3 A lot of the people -- I would tell you anecdotal
4 evidence. We got people coming to us from the
5 private sector. We have people from Kaiser. We
6 have people coming to us from Mercy and all those.
7 So I think the wages are comparable.

8 The challenge is going to be the private
9 sector. The challenge is going to be, if you look
10 at the stat perspective, those wages in the state
11 system are pretty damn low. Part of the challenge
12 is going to be when those folks get into the system,
13 they get familiar with the system and they see other
14 opportunities, whether it be in the warehouse or
15 whether it be in the factory. You're going to see a
16 churn there, going out and going to those things.

17 We did look at that. We don't have a lot of
18 control over that. But I think that we're very
19 consistent with the private sector, as far as wages.

20 MR. PATTILLO: Any other questions?

21 Thanks, Scott.

22 So we purposefully did that with the HFM.
23 There is a budget there. The changes in the budget
24 are all driven by that. So rather than having to
25 wait to the very end to make it go quicker for us.

1 Start with Action Item A. This item here is
2 an action item. The proposed budget that we're
3 presenting is CALPIA's operational expectations for
4 the upcoming fiscal year starting with July 1. We
5 submit this every year before June 30th, and if
6 necessary, sometimes - we had one year when it
7 wasn't necessary - we will redo it again in December
8 so we get a better idea. As you know, the big
9 difference between us and state agencies is state
10 agencies at the end of the year get an appropriation
11 that is a dollar, and they manage to that. We have
12 things that happen in that six-month period that
13 could swing revenues one way or another.

14 I'll give you an example. Currently, we have
15 revenues coming in at about \$164,000,000. We're
16 looking more like we're going to end this year at
17 \$190,000,000. A little bit closer. A lot of stuff
18 happened this spring, right around December, that we
19 just didn't anticipate that increased our revenue.
20 We anticipate the 2014-15 budget will increase 15.6
21 percent or \$26.4 million of what we talked about six
22 months ago to \$196.3 million. It's primarily an
23 increase of about 159 percent or \$18.8 million in
24 construction services and facilities maintenance,
25 which is wherein the healthcare facilities program

1 lies, as stated in 35 locations.

2 The other increases are 4.0 percent or \$2.1
3 million in manufacturing, which the top contributors
4 are furniture, bindery, and cleaning products,
5 which, as you can imagine, with us taking over HMF
6 we're actually using our chemicals also. So that is
7 driving that by about 13 percent.

8 Services, as we talked about, the construction
9 service. Also optical, which is good news, has
10 increased 23.8 percent for another \$2.5 million.
11 Some of you that were around for a couple years
12 remember when our optical program was double in
13 revenues and was also four locations. But when they
14 took the optical benefit off of Medi-Cal, that's
15 when it just kind of fell off. Healthy Families and
16 a few other things are coming along. My goal is
17 eventually, and I know Scott winces when I say this,
18 is to open another optical factory.

19 What is very disappointing for us is when we
20 had to do the switch with females in our optical
21 factory to the males because at that time we had two
22 factories, male and female, and we were training
23 both forces. We don't have female positions for
24 that right now, so we would like to get back to that
25 eventually.

1 Okay with that.

2 MR. WALKER: I'm not opposed to opening
3 another one. I want to make sure we have revenue to
4 support it.

5 MR. PATTILLO: Food and beverage. We
6 predict about a 7.2 percent, \$1.5 million, based on
7 current trending. I think in about another 18
8 months we'll have to have a public hearing on that.

9 Agricultural. We're actually projecting a
10 decrease of about 3.2 percent \$0.8 million. The top
11 three contributors are the dairy farms is projecting
12 a decrease of about \$0.9 million, based on trending
13 and population and also price. And poultry, a
14 decrease of 5.4 percent or \$300,000. Agricultural
15 crops are offset by a projected increase in crops,
16 40.4 percent, and egg production increase of 3.4
17 percent.

18 As you go through your binders here you are
19 going to see two enterprises that are showing red at
20 the gross profit level. One is modular
21 construction, and the other being crops. The first
22 one, modular construction, right now we don't have
23 business in modular construction, except for our own
24 stuff that we're doing. So we're reporting it as
25 cost of goods sold with zero revenue. The things

1 that we've built in last two years have been a new
2 business services building. Some of you are going
3 to stay around today, and you're going to see the
4 business services building that we installed down
5 there. The new emergency operations center. We
6 have a new classroom that will be the last building
7 that we put up here that will be for training
8 offenders. Space is a premium. If we can't find
9 it, we've got to build it. We are building eight
10 internally.

11 The second part of that was the crops. The
12 reason crops is showing in the red is because none
13 of the profits off of almonds are being shown in the
14 that crop farm. Those almonds now, instead of --
15 you may recall several years ago we used to ship
16 those overseas, everything else. We now package
17 them all up, and they end up in our boxed lunches.
18 So the profit on the almonds is recognized over in
19 food and packaging. It's mostly an accounting
20 issue. Nothing that should require to shut
21 something down or raise prices.

22 Cost of goods sold. It is estimated an
23 increase of 14.5 percent. Consistent with our
24 increase in sales.

25 The gross profit. We project 18.8 percent

1 increase, about \$7.9 million in gross profit from
2 mid-year revise, from about \$41.8 million to \$49.6
3 million. That's all based on the addition of
4 facility maintenance.

5 When we get into selling and administration
6 expenses -- we are now on this page out here where
7 it says annual plan. And the next item coming down
8 here, starting with the top of the list, Prison
9 Industry Board, all the way down, we break it up by
10 line item.

11 Overall, the fiscal services we -- central
12 office costs are projected to go up by about \$2.3
13 million. It's not all, per se, personnel. Some
14 overhead costs that we will break out here in a
15 second. In fiscal services bureau we filled certain
16 positions that were mid-year and are now full year
17 positions. The addition of the Chief Financial
18 Officer and the expansion of the 13 additional
19 institutions. So we had to have some accounting
20 staff to pick up 13 additional institutions.

21 Marketing. We project an increase of about
22 \$400,000 over all. Most of that is associated with
23 resources and actual lease of the downtown facility,
24 which should be open, we project, a little bit after
25 October.

1 Business services. We expect expenditures of
2 35 percent increase to the point -- when I say 35
3 percent increase, \$300,000. And most of that has to
4 do with our Student Assistant Program. We do a very
5 active Student Assistant Program out here. The
6 reason being it's part of our recruiting. We have
7 such a hard time recruiting folks. We work with Sac
8 State.

9 Every one of our divisions has at least one
10 student assistant. Right when they graduate,
11 they're eligible to take a test that allows them to
12 come on to state employment. We can get them right
13 in the door, and they're already trained. Just like
14 they were here the entire time. We get that
15 engineering, marketing and business service and
16 especially MIS. That's the hardest place. We have
17 several student assistants down there working.

18 Our Offenders Development Program. And that is
19 several items down here. The Inmate
20 Employmentability Program, which we're working to
21 reconfigure, will increase about 70 percent or
22 \$700,000. That is increasing resource centers at
23 every facility where resources meeting based on soft
24 skilled, cognitive behavior, thinking, or some of
25 the testing we do, and also some of the resource

1 directives. They can access it out of the facility,
2 right out of the facility. Some of these guys are
3 just doing PIA. They're not doing anything else.
4 We want to make sure they get the full breadth of
5 service.

6 MEMBER STEEB: Is this where they would
7 come for employment placement services? They would
8 show them like -- they get into a different place
9 than last year?

10 MR. PATTILLO: Essentially, before. This
11 is actually before they go out. That is -- we
12 talked a little bit about that. That is the --
13 we're trying to stack the deck, is what we are
14 trying to do. We know folks aren't going to parole
15 with PIA. We're trying to get soft skills that go
16 with our work environment to them in the factory.
17 Finding as many resources. Making sure they have
18 filled out transition packets. So when they do get
19 out, we can follow them, get information to them.

20 MEMBER STEEB: So the year that we don't
21 touch them, they can't access those services here?

22 MR. PATTILLO: They can. We have a lot --
23 we actually have a lot, right, to tell us here. I
24 work for you for X number of years, and I'm getting
25 ready to go here. It causes us a little more paper

1 work on our end. We'll get that figured out. We
2 are working with CDCR. I think an unintended
3 consequence of the blueprint and the reentry hubs.
4 Nobody kind of saw the way that they're coming out
5 of PIA, and they're not going back. So it's a
6 little hard to track. Now that we've got what you
7 all asked, the whole employment application going
8 through the whole process there. This is a better
9 database. We have a very active database in that
10 effect.

11 CTE programs. We will invest \$ 2.6 million
12 funds to fully fund 12 CTE programs, \$2.2 million,
13 of which we'll be reimbursed by CDCR in the coming
14 up year. I appreciate the Secretary working with
15 us. CTE is something we do under Penal Code 2805.
16 It is vocational education. Prior to 2006, we
17 didn't do vocational education. But as many of you
18 were here on the Board at the time and knew - Ms.
19 Woodford was actually the Undersecretary and the
20 Director before that - knew what was driving this at
21 the time when resources were non-existent for the
22 rest of the CDCR. We were able to put some money
23 aside to establish these programs that were
24 specifically union tied. So we had these things up
25 and running.

1 We had union instructors coming in for the
2 apprenticeship program. Mr. Trujillo helped out on
3 the trade side and Mr. Kelly on the carpentry side.
4 We're still continuing to do that. There have been
5 some rub in the past between us and now that the
6 Division of Education got their programs all up and
7 running, that we have their representation, not the
8 Department's but the representation saying, "Wait a
9 minute. Only CDCR instructors teach vocational
10 education." And now the law allows us to do this,
11 and we have this very specialized type of training.
12 Our guys are out there. And some of you know them
13 by name. Terry, Roy, and a few other folks are out
14 there running are union employers. They're also a
15 job steward. They are the guys that actually calls
16 the employer. "I've a guy here who is paroling next
17 week. You ought to come and get him." They
18 literally pick him up at the door. So kind of a
19 different model.

20 I appreciate the Secretary helping us out
21 getting another year of funding. But, as we've
22 discussed, we need an alternative source of funding.
23 And I think the best way for us is to deal with
24 finance is in the Legislature with the Secretary's
25 support and Board support because the funding is a

1 no-brainer for us. It needs to be done. Come
2 closer to CDCR, especially on our construction
3 programs, when the folks, like we did here at the
4 facility, when the ladies that go through the Folsom
5 carpentry and iron workers or the laborers, they
6 automatically go to IWL. IWL has a trained work
7 force when they start a job versus training wasted.
8 I hate to say wasted. Wasting six or eight weeks
9 getting someone up to speed before they put them on
10 a job. So that's what we're looking at. You will
11 see today where we are also with the CAD program,
12 which we'll take a look at this afternoon.

13 The programs we're funding out of that are the
14 MTTC, the dive program, two labor programs. One at
15 Folsom here and the other at San Quentin. We are in
16 the process of recovering 18,000 square feet of
17 education space. That will literally double the
18 space at San Quentin they have now for education.
19 We need one more labor team to go in there, do the
20 lead and asbestos abatement. We're paying for that
21 through here and setting up a class room that will
22 double the space at San Quentin. Something that
23 just wasn't in the cards for them at this time.

24 The ironworker program at Folsom, carpentry at
25 Folsom, computer coding at San Quentin is a one-year

1 program that we're working on to get it up and
2 running in conjunction with the Department of
3 Corrections. So after the one year the program will
4 revert to CDCR's sponsorship. We're getting it up
5 and standing.

6 Female program. We have laborers at Folsom
7 Women's facility, and we will have the carpentry
8 program at California Institution for Women. The
9 good part about that, as Mr. Kelly knows, we've had
10 a formal labor agreement. Look's like we're in the
11 process of getting a formal labor agreement with the
12 Carpenters of Southern California. Something that
13 we've been chasing for seven years.

14 Carpentry at Folsom Women's Facility. AutoCAD
15 right here in the parking lot. Facility
16 maintenance, we are -- the Folsom Women's Facility,
17 we grew a facilities maintenance program down here.
18 We maintain the entire facility at the CTE program.
19 That is what we are funding through here.

20 Then the other things we're looking at right
21 now is an assisted technology in optical at four of
22 our two optical factories. Standing those programs
23 up next to our optical factories and handing them
24 off eventually to CDCR.

25 Any questions on that part before I move on?

1 Just to mention transportation. We project
2 expenditures to increase about 7.8 percent, and
3 that's more because of the volume. We had a good
4 conversation with the Secretary a couple days ago.
5 We're doing something different than they're doing
6 in Pennsylvania, which is we're moving back to more
7 civil service employment of truck drivers because it
8 is now cheaper. Several years ago it was the other
9 way around. Just like it was in Pennsylvania when
10 the Secretary was there. It's cheaper for us to
11 hire our own folks instead of using common carrier.
12 We can project those. We can manage them better and
13 brings prices down across the board.

14 State mandated costs. We now have the offender
15 program state mandated costs. Those are, we like to
16 use the word, unavoidable costs imposed on CALPIA,
17 various state costs that are expected to increase
18 31.8 percent or \$3.7 million, pro rata, which is the
19 price we pay to have the Legislature, the Treasurer
20 and the Controller -- all agencies pay it even
21 though we don't technically use them all. Is
22 expected to go up from \$4.3 million to \$5,000,000
23 this, year based on an estimate that we got from the
24 Department of Finance.

25 We are paying \$5,000,000 just right off the

1 top. They get that first cut. Right after that
2 OPEB, which we talked about, will reach \$10,000,000
3 this year. That is the other post-employment
4 benefit, retirement benefit, in the future that all
5 statement agencies must put aside. We're the only
6 ones that -- less than five other agencies that we
7 talked of are the ones that fund that cost. That is
8 part of the cash balance that is driving, going up
9 and up. We need to set that money aside because we
10 just can't afford Finance or the Legislature coming
11 in and thinking, wow, that's free game. Next we
12 know, we're insolvent.

13 Position changes. Operating income is
14 projected to increase 98.8 percent from \$0.3 million
15 in the mid year to \$0.6 million. Non-operating
16 revenue, which is just basically just legal
17 settlements, non-legal settlements, unrecognized
18 revenue, off normal revenue, is proposed to increase
19 from 100k to about \$0.3 million, \$300,000. We do
20 not anticipate any extraordinary expenses in this
21 area.

22 Our net gain overall, bottom line, \$400,000
23 net profit this year, \$400,000. That's coming up
24 from our negative \$13,000,000 that we're discussing
25 in the current year. We think that's actually, that

1 \$13,000,000, could be reduced a little bit less,
2 probably staying as of the end of the year. We
3 never now until September when we close out and we
4 do the financial audit. As you know, we're
5 financially audited every year, which not all
6 agencies do you that.

7 With that, if you go to Tab A. Any questions?
8 Mr. Singh.

9 MEMBER SINGH: I have a question about this
10 construction job. Where are the construction jobs
11 going to be?

12 MR. PATTILLO: The construction --

13 MEMBER SINGH: 39.8 percent.

14 MR. PATTILLO: That is statewide, Mr.
15 Singh. That is backup to -- it is called
16 construction services and facility maintenance. In
17 this case, it is facility maintenance, and that is
18 what Scott was discussing. That's the statewide
19 one. So 35 locations. We are growing that. It's
20 an average of about a minimum of five new positions
21 at every institution. Also, within that there is an
22 average of about 8 positions, that is offender
23 appointed positions, at every location, also.

24 MR. TRUJILLO: I have a question. Going
25 back to crops. How many acres of almonds do we

1 have?

2 MR. WALKER: 700. About 300 on one side
3 and 400 or so on the other side. Just under 800.

4 MEMBER TRUJILLO: Do we ever look at
5 putting any more in?

6 MR. WALKER: Not at the moment. One of the
7 issues right now is the drought. We just put in 150
8 acres last year or earlier this year.

9 MR. TRUJILLO: Of almonds?

10 MR. WALKER: Yes, of almonds. The reason
11 for that was we tore out the other crops. We had
12 alfalfa there. Alfalfa takes a lot more water than
13 almonds, and the market for almonds is going up.
14 We planted 150 acres down there six months ago.

15 MEMBER TRUJILLO: The reason I was asking
16 the question is that they seem, in the Central
17 Valley, to be putting more almond orchards in in
18 addition to the crops

19 MR. WALKER: It's like last we planted a
20 bunch of almonds. The price will tank and we'll
21 tear them all.

22 MR. PATTILLO: We purposely did that as
23 part of the water issue because alfalfa takes so
24 much water out there. In the budget this year we do
25 have three separate plans for additional crops at

1 three different locations. At DVI we're looking at
2 olives and grapes. At CTF we're looking at grapes
3 at that area out there. And Corcoran we're looking
4 at -- down in the valley it was more row crops like
5 almonds. We're looking to plant more, but right now
6 with the water situation, it would be to take out
7 what takes the most water and let's put in what
8 takes the least water crop that we can get in there.
9 Rather than let the land sit fallow. Because as the
10 Secretary knows, down in the valley the one thing is
11 we also want to keep them happy. We don't want the
12 dirt stirred up everywhere down there. We're
13 looking for ways to keep dust down because of the
14 implication of dust in the valley. The problems
15 that that causes.

16 MR. TRUJILLO: Thank you.

17 MEMBER KELLY: Where do we get the water
18 from to water crops?

19 MR. PATTILLO: Wells.

20 MR. KELLY: Well water's dropping. Did a
21 study on that.

22 MR. WALKER: We can't use effluent water on
23 that. So we have to have wells.

24 MR. PATTILLO: On the offenders employment,
25 the tab on that, offender assignment by enterprises

1 on Page 3. And the budget anticipates we'll have an
2 average of 6,696 budgeted offender positions. I
3 will submit that our -- in the last three years our
4 assignments have gone up by about 21 percent. That
5 is where we are supposed to be. That is, of course,
6 we've added a lot of assignments that came from
7 CSFM. That's what we're here for, to increase that
8 assignment number.

9 Scott's going to talk about that on lost
10 hours. Unfortunately, on an average day we have on
11 any given day an average of at least 508 open
12 positions that we can't fill. The reason for that
13 is that we're all in competition now for the same
14 inmates out there. Vocational education, education
15 and programs and substance abuse, they're funded.
16 They really want to get those butts on the seats, as
17 they say. And so we're not saying we're getting
18 leftovers. But it's a competition is what it is.
19 When we get into his half-time assignment thing, it
20 is a great way to go. I'm glad both the education
21 folks side and the program side are saying that
22 sounds reasonable to get this done. The idea to
23 keep folks as busy as possible, constantly, while
24 incarcerated.

25 The proposed the budget is usually that

1 number, 6-6-9-6, which is an increase of 10 percent
2 from just six months ago, which primarily is
3 attributable to the healthcare facilities
4 maintenance. And the only thing that actually went
5 down was food and beverage decreased by 22
6 assignments, and that just has to do with
7 consolidation. We're doing some movement.

8 Any question on offenders employment?

9 Civil service employment. The budget says 820.
10 The actual fill will probably be about 770. It's
11 not the highest this agency has ever been. Before I
12 was here, there was a lot more folks here. But it
13 is significant. But we are very cautious as you
14 know about hiring folks.

15 Give you an example. When I started here
16 there was a General Manager, a Chief Assistant
17 General Manager. There was an Executive Officer and
18 a few other folks. We don't have that anymore. We
19 have -- it's kind of a -- we kind've flattened out
20 the organization that way.

21 Given that said, we are adding one position,
22 in the Executive Office, effective yesterday.
23 Phyllis Guare is now Special Assistant and managing
24 central office. The objective, all -- everything
25 that goes on there. We meet with Phyllis every day.

1 We really know who runs the operations. We will
2 actually be backfilling the special assistant
3 position, and there will be a new administrative
4 person in there, and that's something we haven't had
5 in multiple years.

6 So I want to say, thank you, Phyllis, for
7 taking that job on.

8 The overall -- the facility maintenance
9 position, the actual positions added from last year,
10 total 151; and 139 are really attached to facilities
11 maintenance. That number will come down as we get
12 this thing rolled out. We won't need transition
13 team folks. We know there is not going to be any
14 layoffs because there will be attrition. We have
15 folks that are attritioning out of this
16 organization. Whether they're getting appointed,
17 promoted, retiring, we have a very -- age rate in
18 PIA is actually higher than most agencies, the
19 average age. We'll see that.

20 Any questions on that piece?

21 I have one more section to do.

22 MEMBER KELLY: I have a question. When you
23 took the revenue loss for crops, you said it was
24 over in food and packaging. Did we take those
25 positions and move them over? I see the food and

1 beverage went down and the crops stayed the same.

2 MR. PATTILLO: That was just dollar losses
3 that we were talking about, not position losses.
4 But we are talking crops had a dollar loss and food
5 and package had a position loss.

6 MR. WALKER: At crops, we actual diminished
7 some positions out there. Not this year. Prior.
8 Just because the offender population is so small, we
9 didn't have -- there wasn't enough down there to
10 have that many supervisors. Crops, we diminished
11 the staff down there to a level just to manage what
12 we've got. Not growing that.

13 In food and beverage, that thing has gone
14 through the roof. We added six positions in food
15 and packaging or should be. I don't know if that's
16 reflected. That thing is still growing.

17 MR. PATTILLO: Our conversation started out
18 with a dollar loss. That is what we are talking
19 about. Then I shifted too fast into position loss.
20 Sorry. I think I confused you.

21 MEMBER KELLY: Okay.

22 MR. PATTILLO: I will come back there,
23 Curtis.

24 Out of state travel. We are budgeting
25 approximately \$51,000 in total for the entire

1 organization for out of state travel. And what that
2 includes is staff of all our divisions going to
3 other CIs in the states throughout the U.S. We
4 travel to states such as Colorado, Texas, some of
5 the lower states. We try to do it all together. I
6 will give you an example. In Texas it will take me
7 -- they have how many locations?

8 MR. WALKER: A lot.

9 MR. PATTILLO: A lot. To see five
10 locations will take me four days. And so it's --
11 that's the kind of travel we're doing right now.
12 Just seeing what is out there. We're not proud.
13 We're out there to steal other people's ideas.
14 That's the main reason for traveling out there.

15 And then, of course, the four folks that go
16 down to National Correctional Institution
17 Association. I did mention Scott winning an award.
18 There was also four other staff that were recognized
19 nationally this year.

20 Any questions so far on that item?

21 And with that, that is the end of that piece of
22 Tab A.

23 CHAIR BEARD: Any to other questions or
24 comments from the Board?

25 Is there anybody from the public here?

1 Apparently not. So there is no public
2 comment. So I would entertain a motion to approve
3 the action item.

4 MEMBER SINGH: I move that.

5 MR. TRUJILLO: I second.

6 CHAIR BEARD: All in favor.

7 Opposed.

8 Okay. The motion carries.

9 MR. PATTILLO: Second item, designation of
10 cash for Fiscal Year, is something we do in regards
11 to -- you just approved the budget, the cash. We're
12 implementing a lot of the plan, our capital
13 expenditures. This year we're proposing in the
14 current year to have total capital expenditures of
15 \$14.0 million. Our cash position is projected to be
16 -- at the end of the year to increase by 5.8 percent
17 or \$3.9 million over the current mid-year. We
18 should be ending the year at \$63.2 million.

19 This capital plan, which is B2 of you binder
20 here. B2 is a capital schedule, and it lists every
21 single project at 35 locations that we're doing.
22 The overall is \$11.7 million for field enterprises
23 and approximately \$10,000,000 is for equipment
24 upgrades and replacements.

25 As I was briefing a couple Members, they

1 recall when years ago we used to set up operations,
2 especially bond-funded operations in Corrections,
3 there would always be money for PIA to buy
4 equipment. That is no longer the case. Because
5 where we had appropriations, we haven't had a bond
6 in a lot of years. We're now buying replacement
7 schedules, getting quicker and quicker at wearing
8 stuff out. A big thing is laundry. Buying new
9 dryers and washers. \$1.4 million capitalization of
10 livestock. That is transferred in and out of
11 livestock. We are still running two dairies.

12 How many cows? About 3,000 cattle at two
13 different locations. Don't ask me to name them all.
14 In that, 300,000 is for miscellaneous improvements
15 and repairs out in the field.

16 Also, what we're doing this year is we're
17 trying to finish off a camera operation system.
18 Maybe you've gone out to the facilities. I know the
19 Secretary's been to a couple of them. We're putting
20 cameras in almost all of our facilities. It's a
21 safety issue for us. It's a safety issue for the
22 offenders. The best part is as each one of them are
23 set up, they're interfaced so local investigative
24 services unit can tap into our cameras and observe
25 our factories at anytime. Because if an incident

1 occurs in our factory, which happens from time to
2 time, we've got it on film. We know exactly what
3 happened. We know who the perpetrators are, and we
4 go back to work the next day. Short investigation
5 time. It's a good investment for us.

6 MR. WALKER: Yesterday, for example, at
7 Mule Creek an inmate in the laundry fell down.
8 Normally, when somebody falls down, he's hurt
9 significantly, there's a huge investigation right
10 then trying to figure out what happened. Usually we
11 lose our inmates for a few days until that is all
12 sorted out. They had it on camera. The guy had a
13 medical condition. Nobody involved. We went right
14 back to work with no interruption.

15 MR. PATTILLO: It is a great investment.
16 We do a lot of institutions that don't have their
17 own camera facility or camera abilities. We do a
18 lot of work for facilities setting theirs up, also.

19 In central office, we have about \$2.3 million
20 in investments here. The biggest one is adding a
21 classroom to this facility right now. As you walk
22 around, what you're going to see is one of the
23 programs we kicked our engineers out of and put the
24 offenders in there to start a CAD program. As soon
25 as we are done there, somebody else is going to get

1 that, and they're going to want to get a new
2 classroom. That will occur. That is \$600,000.

3 The central office building is security
4 improvements. If anybody came in, did you see that
5 wild-looking bridge coming out at the bottom here?
6 That's the bike trail. So the public is starting to
7 encroach on this Folsom facility. So we're having
8 to add more cameras, more security gates, various
9 security improvements just because of the fact that
10 we have folks that are coming so close to the
11 facility. Plus, we've never run as many offenders
12 up here. We're running 84 offender slots that are
13 up here, and I think we're slotted for up to 112.
14 So we're running two correctional officers up here
15 at all times. There are some definite security
16 improvements that are going on.

17 Almost, just under, a half million dollars for
18 showroom tenant improvements this year. Part of the
19 deal of our building, we have a long-term lease,
20 we're responsible for tenant improvements. The
21 lease cost was lower. We're planning on doing that
22 with an offender crew partially here. And then
23 working with the contractor to do the complete
24 remodel down on 19th Street.

25 Central office ** is gone now. We are looking

1 to get off the grid for central office, finally.
2 Our parking lot, as you guys will see today, we'll
3 be done with a building that we're finishing down
4 there. Our parking lot will be uprooted, and we'll
5 turn that into a solar field parking lot for folks
6 to parks underneath the solar panels. Lower some of
7 our costs. I'm not sure what our monthly electrical
8 is right now, but I understand it will pay for
9 itself in about two years. It's pretty significant.

10 Then there is equipment upgrades, including
11 digital equipment purchase. We've got so much paper
12 work; we're trying to digitize all the time, so we
13 just capitalize on digital equipment, where we're
14 having offenders digitize and set up our paperwork,
15 basically. We can put our thumb drive instead of in
16 onyx boxes like we have been doing.

17 With that I am asking for approval of \$13.9
18 million for designation of cash for capital
19 expenditures for ongoing operations.

20 CHAIR BEARD: Any questions from the Board?

21 None.

22 Public? There is no public members here, so
23 I'll entertain a motion for approval.

24 MEMBER MASTELLER: So moved.

25 MEMBER WOODFORD: Second.

1 CHAIR BEARD: All in favor.

2 Opposed.

3 Hearing none, the motion carries.

4 MR. PATTILLO: Thank you, Members.

5 With that, I'm going to shift over to Attorney
6 Jeff Sly. I know there's a lot of numbers on that.
7 Actually, see amend regulations Title 15 and all the
8 numbers. What this comes to, I'm just going to
9 refresh your memories, this is probably the ninth
10 time we've done one of these. In 2005, when they
11 did reorganization of CDCR, when PIA became its own
12 entity, one of the things that happened is all the
13 regulations that are behind that had to be set up.

14 So I'm going to turn it over to Jeff Sly. He
15 can explain what we're doing here.

16 MR. SLY: Jeff Sly, General Counsel for
17 Prison Industry Authority. Action Item C. Tab C in
18 your binders consist of 23 proposed regulations,
19 which constitute personnel regs for CALPIA. Instead
20 of just talking about what I have, I'll just mention
21 that some of you probably recognize some of these,
22 having seen them before.

23 We actually started this project back in 2012.
24 After the Board approved our package that we put
25 together in a December 2012 Board meeting, both

1 myself and my policy and regs manager were off the
2 first of half of the 2013 with extended medical
3 situations. When I came back to work, she retired.
4 This project kind of went into pause for a little
5 bit. I added a new staff member, a policy and regs
6 analyst, Dawn Eger, who is here today.

7 We went back in and started looking at these
8 and had some conversations with OAL and decided
9 maybe, because there had been some time in passing,
10 it would be a good time to simplify a little bit and
11 shorten them up, make them a little less
12 complicated. So that's what we did. Basically, we
13 almost started the project over. And in discussing
14 with OAL and General Manager Charles Pattillo, we
15 all decided that probably it would be best to, given
16 the amount of time that passed, to just rewrite
17 them, resubmit them to the Board for approval and
18 move forward with that.

19 Having said that, personnel regs. The reason
20 that we need these and the reason that we're doing
21 it is, as we started doing our own regs and
22 establishing our own regulations, the Department of
23 Corrections came to us and said, "While you guys are
24 doing this, we would like you to do some personnel
25 regs that, as closely as possible, resemble the

1 Title 15 personnel regs that CDCR has." Their regs
2 are located in Section 3390 to about Section 3418, I
3 believe, in Unit 3 of Title 15.

4 So we set out to do very a similar situation,
5 put our regs together so it is clear that PIA
6 employees working in the institution are following,
7 basically, the same rules as the regulations set
8 forth for the CDCR employees. To that end we
9 actually include one regulation which basically
10 says, "while you're a PIA employee, to include
11 contractors and noncivil service staff that we have,
12 when you are on institution grounds, you're actually
13 not only subject to the proposed regulations that we
14 have here today for your approval, but also to the
15 Title 15 sections, the personnel sections that CDCR
16 has."

17 So what we're asking today is that you again
18 re-approve our personnel regs and we will submit
19 them to OAL. Before the meeting started, I gave you
20 a three-page document with a little tab on top that
21 says "Action Item C." Really hoping that this isn't
22 going to confuse you. But part of what we're doing
23 is creating a record that is going to be part of our
24 rulemaking file for the Office of Administrative
25 Law. They want to make sure that it is very clearly

1 spelled out when you guys give us your approval that
2 you have approved the actual languages that we're
3 ultimately going to go with.

4 We put our initial regs, the 23 that are in
5 your binders set forth in Tab C1, out for the
6 45-day public notice period that ended on June 9th.
7 During that period and while this office didn't
8 receive too many comments from the public, we
9 actually received some comments this time that
10 resulted in three changes that Dawn and myself
11 discussed with General Manager. We all decided we
12 should make these changes. They were good ideas.

13 If you look at the three pages I gave you, I
14 actually highlighted the three changes in yellow. I
15 did that for the purpose of this discussion, to make
16 it real easy for you. The first change is on Page
17 3, which is the first page there, are actual
18 changes that the General Manager wanted following
19 some of the reorganization we talked about, adding
20 the Chief Financial Officer.

21 These changes are all minor, but we did go out
22 with the 15-day renote. We went out with that on
23 June 10th and the 15-day notice actually ends today,
24 this afternoon. What I was hoping to do is get you
25 to also approve this language with the language we

1 submitted earlier so we don't have to do this again.
2 We can get it all done.

3 If you look at Page 8, the second page, we
4 just added a reference to Section 8112 under
5 Subdivision (a). That is for clarification
6 purposes. It dawned on us that both 8111 and 8112
7 really refer to the definition that we set forth in
8 Subdivision (a). So for clarity we just wanted
9 that, that addition right there, to be in this.

10 And then on the third page, Page 10, this was
11 part of our statement of incompatible activities
12 regulation, which is 8113. These suggestions
13 actually came from one of the business
14 representatives at the Association for California
15 State Supervisor, ACSS. For some reason when Dawn
16 and I rewrote this and put this together, we
17 overlooked the idea that it would be nice to have
18 some kind of a deadline for both the General Manager
19 and the General Counsel to issue their decisions
20 when it regards somebody requesting authorization or
21 permission to have an activity that might somehow
22 affect their state employment.

23 So we thought those were all good changes. We
24 rewrote that and wrote that language in there. That
25 is made part of what went out for 15-day renotice

1 right now.

2 With that in mind, what we are asking today is
3 that you approve, as we requested in Action Item C,
4 the proposed personnel regs. I would also ask that
5 you specifically indicate that you approve that with
6 the three pages, with the highlighted language in
7 these three pages that I gave you at the beginning
8 of the meeting. Essentially, if you do that, when
9 this meeting is over, I'm going to insert these
10 three pages and submit them for your pages of Item C
11 in one of our official binders for this meeting,
12 reflecting the ultimate language that you guys
13 approved. And with that and the record we have now
14 created, the Office of Administrative Law will be
15 satisfied that we now have all the language included
16 that was out for renote after this meeting today,
17 and I don't anticipate there will be any changes
18 further. We haven't received any comment up to this
19 point. We made the changes for the comments we
20 received during our 45-day period. But I think
21 we're really good to go.

22 With that, are there any questions that
23 anybody has?

24 MEMBER MASTELLER: On your action item on
25 Page 3, under impact on CALPIA, the last sentence

1 there says: Future consequences may include civil
2 actions filed against CALPIA and the PIB regarding
3 policies determined to be underground regulations.

4 So my understanding of that sentence is that,
5 if we didn't pass this and we didn't publish the
6 regulations, then we would be looking to have these
7 underground regulations and we could potentially
8 have a problem?

9 MR. SLY: Yes, that is correct.

10 MEMBER MASTELLER: Essentially, we are
11 eliminating that problem?

12 MR. SLY: Yes.

13 MEMBER TRUJILLO: You have under 8111 light
14 duty. Under (a), about the fifth paragraph, I
15 believe, for work restrictions or illness not to
16 perform functions for the job for a limited
17 duration. What is a limited duration? What you are
18 talking about?

19 MR. SLY: Well, there is actually two parts
20 to this. First of all, we are suggesting that
21 anybody that can't perform their duties, we're
22 looking at a 60-day period to determine whether or
23 not they can continue to function. So rather than
24 make it a lifelong opportunity that somebody might
25 want to try to rework the essential functions of

1 their job, we're just saying that for 60 days we'll
2 look at light duties.

3 There is also another set of regulations that,
4 I forget which, that gives the General Manager up to
5 two years to change somebody's actual position. So,
6 in other words, they won't be working in their own
7 position, their own classification without modified
8 essential functions, but might be put into a
9 different position somewhere else doing a completely
10 unrelated job for up to two years, to facilitate a
11 medical or some issue that prevents them from
12 performing their duties.

13 Essentially, what this is here to do is to
14 just put a time limit on it. Can an employee
15 perform their job or not? If they can't, we need to
16 look at some other solution other than somebody
17 coming to work for the rest of their life and not
18 performing their job that they hold.

19 MEMBER TRUJILLO: Is that a limited
20 duration? Is that limited to two years? Is that
21 what you're saying?

22 MR. SLY: In our regulation, in our 8111;
23 is that correct?

24 MEMBER TRUJILLO: Yes.

25 MR. SLY: Yes. We're limiting it

1 essentially to 60 days with adjusting the essential
2 functions of the duties. The other regulation is a
3 CAL HR regulation that provides, basically, the part
4 where the agency secretary's authority to actually
5 move somebody to a different position and not change
6 the essential function of their current
7 classification, but to put them somewhere else
8 temporarily.

9 MEMBER TRUJILLO: Thanks, counsel.

10 MEMBER SINGH: Comment. I just thought
11 that the general manager always had this authority?

12 MR. PATTILLO: Technically, Mr. Singh, you
13 are correct. I have had the authority, based on a
14 lot of other authorities out there. When we did the
15 reorganization, we actually had an underground
16 regulation challenge already once. What happened is
17 that we didn't have specific line-by-line
18 codification of what the statutory authority was.
19 So, basically, this is just our manual that we're
20 doing. I've always had the authority.

21 Could there be some challenges? Absolutely,
22 there could be. We're making sure we're airtight
23 now.

24 MR. SLY: Under Section 2809, the General
25 Manager has the ultimate authority to make all

1 decisions that affect PIA personnel. The purpose of
2 the regulation is you have a very general statute.
3 You are making a specific decision. That's where
4 you run into an underground regulation problem. So
5 by creating this regulation, you are just trying to
6 spell these out. Specifically what the authority he
7 may exercise. You may see this again in the future,
8 additional personnel reg modifications, changes to
9 these or additions. Again, under the authority of
10 2809, to avoid underground regulations situation by
11 making some things specific. If they come up,
12 basically, resolutions are usually promulgated as a
13 result of a problem that developed that didn't have
14 a regulation in the first place.

15 MEMBER SINGH: Thank you.

16 MR. PATTILLO: Any other questions on this
17 issue?

18 MEMBER ALMANZA: We may have a conflict
19 with CAL HR's State Personnel Board regulations.

20 MR. PATTILLO: There's actually nothing in
21 here that does conflict. All consistent. Actually,
22 it is consistent.

23 MR. SLY: It is consistent.

24 MR. PATTILLO: We sent it to them for their
25 45-day review, also. Actually, prior to this we

1 were in conflict, I would say.

2 MEMBER ALMANZA: Okay.

3 MR. SLY: In some circumstance we just
4 followed their regs.

5 MEMBER MASTELLER: This cleans it up,
6 closes the loopholes that could be argued if
7 somebody wanted to.

8 MR. PATTILLO: The only challenge we've had
9 in the last couple years was one of receiving a GED
10 requirement. We had the Board pass a GED
11 requirement. They had to have a GED. We had to
12 follow the regulations because that part was
13 challenged.

14 MR. SLY: Now it is part of our inmate
15 regulations that we brought to you in years past.

16 CHAIR BEARD: Okay. If there are no more
17 questions, I will entertain a motion to approve the
18 amended regulations, including new Article 6.

19 MEMBER TRUJILLO: Mr. Chairman, I would
20 move that we adopt.

21 MEMBER SINGH: I second that.

22 CHAIR BEARD: All in favor.

23 Opposed.

24 Motion carries.

25 MR. SLY: Thank you.

1 CHAIR BEARD: Now we move on to the
2 informational items. You already did D. We are on
3 E.

4 MR. PATTILLO: We're going to power through
5 them.

6 MR. WALKER: If we could look for the
7 Information Item D.

8 CHAIR BEARD: E.

9 MR. WALKER: Information Item E, as in
10 Edward. It appears that we're headed in the right
11 direction for lost hours. Available hours for the
12 second quarter, third quarter comparison increased
13 by 1 percent. Not much, but headed in the right
14 direction. By 3 percent.

15 Total lost hours decreased by 6 percent, which
16 is good to see. Custody hours decreased by 10
17 percent. Ducat lost hours increased. That's one of
18 the areas we're still struggling with, the ducats.
19 Both went up a bit. The industry related increased.
20 I will caution you that the fourth quarter industry
21 related usually goes back up due to physical
22 inventory. We're in the middle of that right now.
23 It did decrease significantly in the third quarter,
24 which is a good thing.

25 Other lost hours increased approximately 4

1 percent -- 14 percent, excuse me. That was
2 primarily attributable to state holidays and
3 inclement weather over the winter months.

4 Vacant lost hours. Again, an area that
5 increased by 7 percent. As Chuck mentioned earlier,
6 the vacant lost hours, if you take the hours and
7 convert them into positions, that is about 450 to
8 500 inmates programming positions that went unfilled
9 during that quarter. Something we keep an eye on.
10 Going to be a challenge going forward with the
11 inmate population and with the CDCR blueprint. As
12 Chuck mentioned earlier, we're kind of competing for
13 that same inmate in a lot of cases. A lot of
14 pressure to get those seats filled. It is having an
15 impact on it. HFM impacting us. We're going to do
16 a statewide conference call, CEOs and wardens.
17 That's going to be one of the points, trying to get
18 some of the positions filled in HFM.

19 Any questions on the lost hours?

20 If I could get you to turn to Tab F, which is
21 accredited certifications. They also have increased
22 over the second to third quarter by about 242
23 accredited certifications. We continue to add new
24 certifications. The other thing we continue to do
25 to pursue is partnering with CDCR to create

1 milestone accreditations for those certifications,
2 which means the offender can get anywhere from two
3 weeks to six weeks off their sentence. We are in
4 the process now for accredited certification
5 programs.

6 We also increased closures. We still have
7 some issue of inmates being transferred out before
8 they're closed. It seems to be diminishing. We're
9 doing a better job making sure they complete the
10 program before they're transferred out.

11 Any questions?

12 MEMBER STEEB: I have a curiosity question.
13 Are two to six weeks enough motivation or
14 incentive?

15 MR. WALKER: It is. You would be surprised
16 how much of a motivation that is. They keep us
17 honest. It doesn't seem like much, but when they're
18 going to go home a couple or six weeks early, that's
19 the first questions out of their mouth: Does the
20 certification have milestone credit? That's the
21 first thing out of their mouth. It really is a good
22 thing for us. It keeps pressure on our staff to
23 make sure that, A, we keep them in the process.
24 Because in the process you get them accredited and
25 milestone certified, and you get them into the

1 program. They drive that thing. It doesn't sound
2 like much, but it's huge. It's absolutely huge.

3 Any other questions?

4 Let's try Tab G. I suspect it's next. GED
5 certifications. Board Member Steeb, this is near
6 and dear to your heart.

7 We have approximately 484 offender assigned.
8 Of that 3,382 possess a GED or high school diploma.
9 194 are enrolled in a GED program, and 911 are
10 either enrolled or have a degree.

11 This is certainly something we are pushing on.
12 It says here we're pursuing the online solution.
13 All the GED testing is going through an electronic
14 format. I was talking to Shane, a deputy
15 superintendent for CDCR. They're very close.
16 They're attempting to roll theirs out July 1st.
17 We're going to piggyback on that. Also, a lot of
18 the certification programs, in a sense a lot of
19 those are electronic. We're going to start
20 piggybacking on their solutions. The one we have,
21 American Board of Optometry, we can use that online
22 process to certify them. That is going to be a
23 great thing that CDCR is rolling out, hopefully, the
24 1st of July.

25 Any questions on GED?

1 The next item, if you turn to Tab E, which is
2 the employee award presentations. H, I'm sorry.
3 Employee awards tab.

4 MR. PATTILLO: Board Members, each year we
5 do select several staff employee of the year, field
6 employee of the year, central office and then we
7 also do a correctional officer of the year. Someone
8 who works for CALPIA enterprises. There is an
9 additional item that is not here on this. This is
10 the Warden of the Year. We present that at the
11 wardens meeting that is coming up momentarily.

12 I'm going to start with the folks that aren't
13 here. Desiree Monarrez is the employee of the year
14 in the field. Desiree is an office assistant at
15 California Institution for Men. And she basically
16 is the state civil service staff that is inside the
17 dive facility. She runs all the certifications. I
18 think you've all met her when you've gone down
19 there. Unfortunately, she could not be here
20 today.

21 The employee supervisor of the year that's not
22 here today is Paul Wittenmeier. He is an industrial
23 supervisor at Pelican Bay State Prison. I'm
24 actually driving to Pelican Bay Sunday night so I
25 can be there Monday morning to present it to him at

1 the executive meeting.

2 The folks that are here today, and I'm going
3 to start with the employee of the year in central
4 office, Lisa Horrell. Lisa, if you can come up,
5 I will read this. Hold that. Lisa is kind of - I'm
6 off script here - kind of runs business services.
7 If you want a record, a contract wouldn't get done,
8 and likely she's trained a lot more staff to come
9 in. But she is a contract analyst for the business
10 services unit. Lisa is always professional,
11 courteous, and knowledgeable contract analyst. She
12 demonstrates exemplary customer service to all
13 seeking help. As a veteran contract analyst, she
14 trains the newer staff and also takes the initiative
15 to help her fellow coworkers.

16 And then the supervisor of the year is out of
17 the central office. I shouldn't need to read this
18 off. He's a guy we affectionally call "budget boy,"
19 Gary Alarid is here. And Gary Alarid is chief of
20 the budget unit and he is probably the youngest
21 chief we have. And Gary demonstrates dedication of
22 hard work which compliments his calm and pleasant
23 demeanor, even though his hair is standing on end
24 and on fire. Under pressure as he completes budget
25 projects with strict deadlines and accommodation of

1 high ethical standards and courteous manner enable
2 him to be an excellent mentor to other employees.
3 He's the right hand guy; he's the guy that does the
4 budget work. So everything you've got there is from
5 Gary Alarid.

6 The last individual - and at the tail end of
7 this, Mr. Secretary, we're going to take three
8 photos with our folks before you step out - is
9 correctional officer of the year. And believe it or
10 not, I'm not the one who nominated you. But you are
11 one of my favorites. Travis Townsy. And I met
12 Travis probably about eight years ago when I lived
13 on the grounds, and he is correctional officer at
14 Folsom State Prison. Come on up here. He has
15 displayed a level of professionalism which sets the
16 standard in assignment of safety and security at
17 Folsom. He keeps excellent rapport with CALPIA
18 staff members, is well respected by offender
19 population for his direct and fair treatment.
20 Everyone of you that's gone through Folsom has seen
21 Officer Townsy. He is always the one smiling and
22 saying, "How you doing?" and helps me out with
23 everything else. He epitomizes what the interaction
24 between PIA and corrections should be at the ground
25 level.

1 MR. TRUJILLO: Mr. Pattillo, if I could
2 interject. I see he has a couple daughters here.
3 Could they come up and get a picture?

4 MR. PATTILLO: That's not his. That's
5 Gary's daughter back there. But sitting next to
6 Sheila Howell. She's flattered, though.

7 We're going to go through one more item. Then
8 take some quick pictures with the Secretary. With
9 that, I'm going to turn it over to Michele Kane
10 really quick. I hope you've all met Michele.

11 MS. KANE: I've only been on microphones
12 for about 20 years. I will keep this brief.

13 Good morning, I'm Michele Kane, Chief of
14 External Affairs for California Prison Industry
15 Authority. CALPIA has had exceptional media
16 coverage just in the last few months. I have been
17 making you all aware of that.

18 Of course, we had the launch of our computer
19 aided design program up here at Green Valley
20 Training Center, which you will be able to tour
21 today. We had all the networks there - CBS, FOX,
22 ABC. You name it; they were there. We got great
23 press coverage. Also, we have had our youthful
24 offenders in our CTE construction labor program. We
25 had the graduation at the Ventura Youth Facility.

1 We had Secretary Beard there and a lot of the Board
2 Members, plus the media. A lot of staff. It was a
3 wonderful event. Made front page of the Ventura
4 County Star with pictures. So that was positive.

5 Also, our healthcare facilities state
6 maintenance program at CMF. That was just
7 highlighted a couple weeks ago in the Vacaville
8 Reporter. Also in the Vallejo Times Herald, which
9 was wonderful, along with the optical lab that made
10 a story, a wonderful story. We're working with
11 Solano out there. They have been very helpful.

12 I'm working on a couple videos. Scott
13 mentioned the HFM recruiting video will hopefully
14 help. I'm working on a CALPIA overview video, which
15 I am going to be very proud of because it is going
16 to show offenders on the outside and success stories
17 through CALPIA, as well as CDCR. So I don't think
18 people see what we do here on the inside and the
19 effects on the outside. There is some wonderful
20 success stories. Grab a Kleenex when you watch the
21 video.

22 A few events. Two employees that Chuck
23 mentioned. We have one here in Sacramento. Very
24 excited at Cal Chamber August 26. Mark it on your
25 calendar. We hope you can all attend. The next one

1 will be down in L.A., and that is September 26. We
2 are keeping it consistent, August 26 and September
3 26. And that is going to be at the Los Angeles
4 Trade Technical College. They refer to it as L.A.
5 Tech. And that is September 26. I am going to send
6 out more information to all of you so you are very
7 aware of it.

8 Also, CALPIA is planning a graduation of all
9 of our CTE female offenders graduating at Folsom
10 Women's Facility. That date is September 9th. So
11 mark that on your calendar. I hope to see you all
12 there. And I'm just tickled and thrilled to be
13 here.

14 Thank you.

15 MEMBER STEEB: The Cal Chamber?

16 MS. KANE: From 8:30 to 10:30 in the
17 morning, and we will have breakfast, and it's going
18 to be a very nice event.

19 8:30 to 10:00 at L.A. Tech down in Los
20 Angeles.

21 MR. PATTILLO: The L.A. Trade Tech is
22 actually sponsored by former Board Member Larry
23 Franks. He is now the president of the L.A.
24 Technical College. What they committed to is
25 establishing a work force investment center for PIA

1 and CDCR offenders to come right there. Because
2 working with offenders, obviously, is a specialized
3 case.

4 I want to mention that Michele did a video for
5 us before when she was with CDCR before she was in
6 the Senate. Actually, that video won the State
7 Information Council's award. There's a couple of
8 videos that she actually produced a couple years
9 ago. So we're expecting good things out of her very
10 quickly.

11 MEMBER KELLY: More awards.

12 MEMBER MASTELLER: Are they still making
13 fire retardant uniforms for fireman?

14 MR. PATTILLO: Yes, they are.

15 MEMBER MASTELLER: There is movie coming
16 out about fire jumpers. It is a cartoon. I would
17 imagine you can tie CALPIA to that movie as well.
18 Just a thought.

19 MS. KANE: A good thought.

20 MEMBER MASTELLER: It is all about the
21 super firefighters and all of the various crews that
22 make forest fires.

23 MR. PATTILLO: I hate to say that,
24 unfortunately, that product is on fire this year. We
25 are selling a ton of it out there. We are the only

1 ones that have the NFPA certification in the United
2 States for that.

3 MEMBER MASTELLER: Seems likes an
4 opportunity. I've seen quite a few documentaries on
5 it recently that had popped up, and it was because
6 of the whatever the movie is.

7 MR. PATTILLO: That is a cartoon movie.
8 Thanks.

9 With that, that concludes. At the end of this
10 I'm going to have the Secretary take pictures with
11 the award winners in the back. We have lunch for
12 you all here, and we have a tour that starts at
13 12:00, assembled. I know the Secretary is not going
14 on it. The reason is because he did the exact same
15 tour less than a week ago. I was hoping maybe he
16 can do the tour.

17 Does that work for you?

18 CHAIR BEARD: Sure.

19 MR. PATTILLO: We have lunch in the back.
20 And can I answer any question before?

21 MR. TRUJILLO: I would close this meeting
22 in honor of Jim Steeb who had a medical issue and
23 he's home, I understand, doing good. I would like
24 to close this meeting in his honor.

25 CHAIR BEARD: So there is nobody from the

1 public here. I think we learned that earlier. So
2 I'll make a motion to adjourn.

3 MEMBER KELLY: So moved.

4 CHAIR BEARD: A second.

5 MR. TRUJILLO: Second.

6 CHAIR BEARD: We are adjourned.

7 (Public meeting adjourned at 11:47 a.m.)

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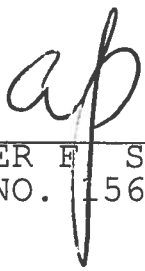
REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

I, ESTHER F. SCHWARTZ, certify that I was the official Court Reporter for the proceedings named herein, and that as such reporter, I reported in verbatim shorthand writing those proceedings;

That I thereafter caused my shorthand writing to be reduced to printed format, and the pages numbered 3 through 79 herein constitute a complete, true and correct record of the proceedings.

IN WITNESS WHEREOF, I have subscribed this certificate at Sacramento, California, on this 31 day of October, 2014.



ESTHER F. SCHWARTZ
CSR NO. 1564