

STATE OF CALIFORNIA

DEPARTMENT OF CORRECTIONS AND REHABILITATION

PRISON INDUSTRY BOARD

PUBLIC MEETING

THURSDAY, DECEMBER 15, 2016

CALIFORNIA INSTITUTE FOR WOMEN

FAMILY VISITING CENTER

16756 CHINO-CORONA ROAD

CORONA, CALIFORNIA

REPORTED BY:

ESTHER F. SCHWARTZ  
CSR NO. 1564

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**ATTENDEES**

**BOARD MEMBERS:**

SCOTT KERNAN, CHAIR  
DAWN DAVISON  
FELIPE MARTIN  
JEFF McGUIRE  
MICHELE STEEB  
RAY TRUJILLO

**STAFF:**

CHARLES L. PATTILLO, EXECUTIVE OFFICER  
SCOTT WALKER  
RAYMOND MEEK  
RANDY FISHER  
RUSTY BECHTOLD  
MICHELE KANE  
THY VUONG  
MELISSA SCHANE

**COUNSEL:**

JEFF SLY

**PUBLIC MEMBERS:**

(NO AUDIENCE PARTICIPATION)

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1                                   **CORONA, CALIFORNIA**

2                           **THURSDAY, DECEMBER 15, 2016, 10:00 A.M.**

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

4                   CHAIR KERNAN: I will call the meeting of  
5 the Prison Industry Board to order at exactly 10:00  
6 a.m. I would also like to note that this meeting is  
7 being held at a publicly noticed location.

8                   Board Secretary, would you take the roll?

9                   MS. VUONG: Chair Kernan.

10                  CHAIR KERNAN: Here.

11                  MS. VUONG: Vice Chair Singh.

12                  Member Alegria.

13                  Member Davidson.

14                  Member McGuire.

15                  MEMBER McGUIRE: Here.

16                  MS. VUONG: Member Martin.

17                  MEMBER MARTIN: Here.

18                  MS. VUONG: Member Jenkins.

19                  Member Kelly.

20                  Member Martin.

21                  MEMBER MARTIN: Here.

22                  MS. VUONG: Member Steeb.

23                  MEMBER STEEB: Here.

24                  MS. VUONG: Member Trujillo.

25                  MEMBER TRUJILLO: Here.

1 MS. VUONG: We have a quorum of six  
2 members.

3 CHAIR KERNAN: Very good.

4 So I just want to make a few remarks. First,  
5 Board Member Davison, I would like to thank you for  
6 having us here. More important than that, thank you  
7 for being a Warden here. Dawn and I go way back.  
8 You're going to hear about some very positive things  
9 about CIW. This was a troubled prison not too very  
10 long ago, and a lot of issues. And Dawn came out of  
11 retirement willingly, kinda.

12 MEMBER DAVISON: I did.

13 CHAIR KERNAN: And other than turning this  
14 place around, is doing a wonderful job. I think  
15 she's -- while she fulfills her role on the Board,  
16 what she's doing inside the prison to make it a  
17 better prison is really a tribute to her leadership.

18 I know PIA is helping you with that effort,  
19 including a beautification effort. I understand the  
20 design is ready and the PIA CTE participants will  
21 complete that work. PIA is also doing 7370 Program.

22 MR. PATTILLO: We're building a facility  
23 for them.

24 CHAIR KERNAN: Our female inmates will have  
25 the ability to actually get into coding. Then we

1 also have a maintenance program.

2 MR. PATTILLO: We are doing a new  
3 Facilities Maintenance Program, dealing in  
4 construction and janitorial. We're doing it on  
5 behalf of DRP who has the intent of rolling it out  
6 statewide.

7 CHAIR KERNAN: Is there any reason that  
8 you're doing this all for CIW because of a Board  
9 Member being on the Board?

10 MR. PATTILLO: No. Actually, we started  
11 doing business --

12 MEMBER DAVISON: No, no. It isn't.

13 CHAIR KERNAN: Of course, it's not.

14 MEMBER DAVISON: Can I say something about  
15 that?

16 Chuck and I have had a wonderful relationship  
17 going back to when I was here ten years -- how many  
18 years ago was that? Before I was retired. And he  
19 was instrumental in helping set it up at that time.  
20 Had nothing to do with me being on the Board. In  
21 fact, PIA built this processing center for -- CIW  
22 processing was out in the elements. We had no  
23 indoor processing center. We partnered up way  
24 before I had anything to do with the Board. And it  
25 was through our partnership that once you get

1 inside, you will see all the wonderful things that  
2 PIA did for us.

3           When I came back this time, I renetworked with  
4 many of the folks that helped me before, PIA being  
5 one of them. I wanted to get CIW back on the right  
6 track. I networked with PIA and many of my  
7 community resources to get CIW back on the right  
8 track. It had nothing to do with, nothing to do  
9 with my being on the Board.

10           CHAIR KERNAN: I was just jesting.

11           MEMBER DAVISON: I want to make that very  
12 clear publicly.

13           CHAIR KERNAN: Joke from the Chair. I know  
14 Chuck and PIA are doing great work in all of our  
15 prisons, but being specially paid attention to now  
16 and given the distance, it means a lot still to the  
17 prison in tough times.

18           Before I move on, I'd also like to tell the  
19 Board Members that the same General Manager, Chuck,  
20 was named National Correctional Industries  
21 Association, whatever, General Manager of the Year  
22 and a Rodli Award. It's a national award, and I  
23 think it's well deserved for somebody that's toled  
24 in our business for a long time. He has done a  
25 great job with PIA.

1           Congratulations.

2           MR. TRUJILLO: Mr. Secretary, I would like  
3 to introduce my colleague, Bob Jennings, Northern  
4 California Regional Director for State Building  
5 Trades.

6           Bob, stand up.

7           CHAIR KERNAN: Pleasure. Welcome.

8           MR. JENNINGS: Glad to meet you all.

9           CHAIR KERNAN: Thank you very much.

10          Any other remarks from the Board?

11          Okay. At this point, I would like to note to  
12 any members of the public who are present right now  
13 that there will be opportunities for public comment  
14 after each item is presented to the Board.

15          If any member would like to comment, please  
16 fill out a speaker request form and hand it to the  
17 Board Secretary.

18          First on the agenda is the General Manager and  
19 Rodli Award winner.

20          MR. PATTILLO: We'll get it there.

21          Thank you, Mr. Chairman. On basically a  
22 reflection of the program overall, I will tell you,  
23 programs that don't do well don't win awards. So it  
24 is reflection of the entire organization, what we've  
25 been doing for a lot of years. It doesn't get done

1 by itself.

2 As far as CIW here, I can dig myself out of a  
3 hole a little more, we actually go back to 2005 when  
4 we started our friendship program here. It was the  
5 very first one here that we couldn't get any  
6 agreement with the community here, which we finally  
7 got nine years later. They built the Firefighter  
8 Academy here that Governor Schwarzenegger dedicated.  
9 We do a lot of programming. A lot of the buildings  
10 that you will see inside, a lot of the programs,  
11 there was no money. We came around and got a large  
12 chunk of change from the Legislature, \$25,000,000  
13 out of CDCR's budget. We used that to build  
14 modulars all over the state. Three of them, I  
15 believe, are here. We do a lot of good things here.

16 In addition to the other program opportunities  
17 we have here - clothing and textile manufacturing  
18 which has been here for years, Construction  
19 Services, Healthcare Facilities Maintenance. And we  
20 have two CTE Programs that are signatory,  
21 apprenticeship programs, Carpenters and Laborers  
22 down here.

23 We don't have an ironworkers one,  
24 Mr. Trujillo, because we just don't have facilities  
25 down here. Not a big call for metal work inside the



1 facility, but we'd love to do more in that area. We  
2 also have the Facilities Maintenance Program, which  
3 we mentioned, which is a cross -- it's more skilled  
4 than janitorial and a little bit less skilled than  
5 the construction side. Either way, we're looking to  
6 roll out statewide. That, if we did it correctly,  
7 would give us about another 800 positions inside the  
8 facilities. It should run here as a half-time  
9 program because we want them to be able to go to  
10 drug treatment or education and still work for us.  
11 That model is working out well.

12 In addition, just the other day we selected  
13 designs for landscaping improvements here. The CTE  
14 program prepares that. We're expanding one of the  
15 classrooms, as we mentioned, for 7370. More so, is  
16 that we actually have a design for a building  
17 replacement that I hope we can get moving along and  
18 maybe get some funding through CDCR for that. They  
19 do need some classroom space down here, so we've  
20 given them brand new plans that we've had built at  
21 Folsom that could work well here.

22 Just to let you know, the other program that  
23 we are not doing here, but at FWF, we've developed a  
24 culinary program at the request of the Department of  
25 Corrections which we anticipate that will be rolled

1 out statewide also. FWF is just in our backyard,  
2 and they had an empty kitchen. So we are developing  
3 that for the DRP Division, and we'll operate  
4 probably a year, like we have other programs, and  
5 then turn it back to them because it's certainly not  
6 a revenue generating program.

7 The last thing is we are going for our ACA,  
8 American Correctional Association, accreditation.  
9 We anticipate we'll have that all done within a  
10 year, to have the organization completely  
11 accredited. So it's a little bit of a lift, but I  
12 think we are there.

13 One item on the agenda, Item B, the transfer  
14 of the OPEB funds. I want to let you know that  
15 we're going to take it off the agenda for right now.  
16 We've been working with the Department of  
17 Corrections, as well as the Department of Finance on  
18 the issue. I think we have some disagreement on the  
19 methodology that we fund OPEB.

20 As you know, we fund our unfunded liability.  
21 We've got some disagreements there. I think we can  
22 get it worked out. Some language that we propose  
23 that would basically not excuse us from the unfunded  
24 liability. But we've given them a couple paths that  
25 we're working with.

1           It may be premature to jump on this right now  
2 because, once we transfer the funds, it's an  
3 irrevocable transfer. There may be a potential  
4 where the funds don't have to be transferred over  
5 for that purpose if we have proper language that  
6 covers all ends on this, so we're still working it  
7 out. I think everybody is focused right now on the  
8 Jan 10 budget. I think after Jan 10, we can revisit  
9 it again.

10           I just didn't want to move too quickly on it,  
11 so I apologize. This is the second time we've  
12 pulled it off.

13           CHAIR KERNAN: Okay.

14           MR. PATTILLO: That's it.

15           CHAIR KERNAN: So you want to start with  
16 action items, Mr. Pattillo.

17           MR. PATTILLO: Yes, we're going to start  
18 with the action items. We were going to take them  
19 out of order at one time, but now we're back to  
20 order.

21           A, Designation of Cash. The Designation of  
22 Cash that we're focused on, and I'll hold this up  
23 for you, so this really is the talking point that  
24 we're walking through, this, on this four-column  
25 backup.

1           So every budget -- we normally do our budget  
2 about every six months, annual and then fall. This  
3 time we are not doing it in the fall because there  
4 wasn't much change in the revenue. However, there  
5 was significant changes in our liabilities, as well  
6 as our change in cash. We wanted to make sure that  
7 the Board was aware of those and get a vote that  
8 shows that where we're designating our cash for.

9           The big changes that you look -- there is no  
10 real changes up top on this. The big changes are  
11 going to be in the last four on the long term  
12 liability commitment. The last four columns there.  
13 What we have marked financial statements that have  
14 been audited. We haven't got our final sign-off on  
15 them. But the changes will be in Accrued Leave on  
16 the bottom. I'm going from the 2016-17 Approved  
17 Annual Plan to the Proposed Mid-year Revise. And  
18 the accrued leave time increase 16.9 percent or  
19 about \$1.4 million.

20           Part of this is because of our assumption of  
21 almost 562 positions in the last 30 months to bring  
22 on the HFM Program. That HFM Program is driving a  
23 lot of not only cost but liability. And it's also  
24 driving a lot of revenue.

25           The other issue is we do have a lot of

1 long-term employees that aren't taking all of their  
2 vacation. If you've got 20 years in, you're getting  
3 six weeks. And I think it's pretty hard to take six  
4 weeks of vacation. So we have a lot of folks  
5 retiring over the next 24 months, and we anticipate  
6 the payout will -- the cash liability will go  
7 away.

8 CHAIR KERNAN: Why is it hard to take six  
9 weeks of vacation? I can do that easily. Do you  
10 have mandatory leave?

11 MR. PATTILLO: You can't. You can't.  
12 You're supposed to not go over 640 hours, but we've  
13 seen some folks building up some balances. We try.  
14 And then, also, as of a couple years ago -- really,  
15 the furlough really drove a lot of this. That is  
16 why our balance is up so high.

17 Workers' Comp liability increased 5.7 percent  
18 or \$900,000. Most of that also is driven by the  
19 additional positions. There's not really -- there's  
20 an increase in our liability based on liability  
21 issues. It's the population of the number of folks  
22 that we have. So if we hadn't added those folks, we  
23 could have gotten our Workers' Comp down.

24 Net Pension Liability. This is the one that's  
25 kind of eating up our cash. It's increased in 13

1 months to by 57.8 percent, from \$25.171 million to  
2 \$39 million. This is the other, the second unfunded  
3 liability. We have OPEB and then we have pension  
4 amount. Taking those things all together, if we  
5 liquidated today, we'd be \$18,000,000 in the hole.  
6 That's just if everything shut down today. It's not  
7 a true reflection because we have over \$50 million  
8 in unfettered, unallocated assets, physical assets  
9 that we haven't liquidated. This is not on a cash  
10 basis. It is not something that we're concerned  
11 about immediately.

12         If we can get settlement on OPEB and on the  
13 pension, a lot of this will resolve itself. But  
14 we'll see how that goes. We're looking at many  
15 options to solve the OPEB. Not only the language,  
16 but potentially taking the HFM Program and  
17 transferring that to CDCR, but keeping management  
18 ownership of it and transferring all those folks  
19 back to CDCR - 562 people off of our payroll,  
20 technically our payroll, but off of our unfunded  
21 liability. That will actually solve part of these  
22 problems. Just getting everybody in a row in the  
23 same direction to that issue.

24         So as far as our Designation of Cash, that is  
25 where we're at right now. We are asking for a vote

1 just to approve, really an acknowledgment of where  
2 we are at. We're being very transparent on where  
3 our cash allocations are.

4 MEMBER STEEB: Chuck, are we still net cash  
5 positive on the HFM Program?

6 MR. PATTILLO: I would tell you that we are  
7 not. At this point in time we are not breaking even  
8 on that program. We are looking for ways to bring  
9 it up to breaking even. I think if it were any  
10 other contract I would recommend just go in another  
11 direction. Right now let somebody else handle it.  
12 But I can't bail on everybody with 562 positions. I  
13 think if we don't do something in the next six  
14 months, the max I can see us keeping it is one more  
15 year. We will have to do something because we  
16 can't, we can't have unfunded liability of the 562  
17 people. That is not feasible.

18 CHAIR KERNAN: Would it become profitable  
19 if the OPEB and pension liability were addressed?

20 MR. PATTILLO: Yes. That's really, that's  
21 what's tanking it.

22 The issue before us right now, though, is in  
23 the current contract the Department of Finance has  
24 made overtures, actually done it, made overtures.  
25 They deleted funding from the Receiver's Office that

1 would have been attributed to our OPEB. So they've  
2 actually deducted funding from a customer, so they  
3 can't pay us the money. So we're -- I feel we'll  
4 get that all resolved.

5 MEMBER STEEB: What is their time line? I  
6 know the budget is, you know, assuming that, is  
7 there some time line we can bank on?

8 MR. PATTILLO: I think after Jan 10 is that  
9 we get to there. I think we all have to get back  
10 together. I think there is probably some  
11 assumptions or they weren't clear on what we were  
12 proposing. We made several proposals. If you go to  
13 my General Manager's Comments, those items, even  
14 though they are not an action item, that was what  
15 our proposal was. Was to have the pension  
16 liability, all the liabilities, declared somewhere  
17 else. Because Finance's position is that we are not  
18 responsible, the State is. Then let's put that in  
19 writing. That was our first offer, put it in  
20 writing that we are not responsible and then we can  
21 go forward. We're asking for language that would  
22 excuse us from GAAP requirements this Spring. I  
23 will tell you I don't think the Secretary would --  
24 I'm trying to figure out how to say this.

25 MEMBER STEEB: You owe him one after the



1 opening comments.

2 CHAIR KERNAN: Thank you very much for  
3 that. You do owe me one.

4 MR. PATTILLO: We're a very small portion  
5 of the overall big picture, but it could harm us at  
6 a very high level if we are not paying attention to  
7 it. After Jan 10 and CDCR has got their stuff put  
8 to bed, we can get more focused on it. That would  
9 really be a time to meet for better discussion. I  
10 think everybody is so focused right now on what is  
11 going on and the potential for reduced revenues and  
12 whatnot that it kind of gets lost in all the  
13 conversation.

14 CHAIR KERNAN: I agree with that. So right  
15 after we get through the tenth, we will engage  
16 Finance and the Governor's office and come to a  
17 solution on this.

18 MEMBER STEEB: Do you have a backup plan?  
19 Like I'm thinking Pride Industries. That would be  
20 an interesting candidate to maybe --

21 MR. PATTILLO: Our backup plan, there is  
22 several. If we can't get the language through, the  
23 second one would be to transfer the program back to  
24 CDCR with us continuing to manage it. That would  
25 take the liability off of our books. That is a way

1 to do it.

2           The one issue with that is we have to do  
3 something about payments, if they can't pay at our  
4 level. So we'd have to do regulations that they'd  
5 have to pay at PIA levels. A lot of stuff is  
6 doable. Everybody has to be willing to go in that  
7 same direction.

8           There are variable options. I don't think  
9 Pride is an option for us systemwide. I think it  
10 will continue to be an option at Stockton. Because  
11 for us at Stockton, we have to hire 200 people, 200  
12 people worth of unfunded liability. There are no  
13 inmates at Stockton that we can use. We've asked  
14 them to do a joint venture where they're going to  
15 hire 30 at the same rate they're paying the Pride  
16 custodians. We have a joint venture at Stockton,  
17 but I don't anticipate us taking on Stockton. And I  
18 would have to bring it back to the Board, and I  
19 don't think the Board would be --

20           MEMBER STEEB: Not until you get the issue  
21 resolved.

22           MR. PATTILLO: Yes. I communicated that to  
23 everybody, that the Board is not going there until  
24 we resolve that issue.

25           MEMBER MARTIN: Just real quick. What is

1 the cost difference between the private industry and  
2 CDCR for maintaining the healthcare cleaning?

3 MR. PATTILLO: Between CDCR or PIA?

4 MEMBER MARTIN: PIA.

5 MR. PATTILLO: Out the gate, it's \$2.4  
6 million a year more for us to do the entire program  
7 than were it to go to the private sector. There are  
8 probably more savings. I say \$2.4 because -- \$3.4,  
9 excuse me \$3.4, that's the cost in OPEB that the  
10 private sector wouldn't have to pay. But, also,  
11 they're going to pay less in the benefit arena. The  
12 benefit arena is \$1,700 per month per person.  
13 Almost now is what the contribution is. And I know  
14 Pride is not paying \$1,700 there. However, they do  
15 beat us on opening salary. They pay more on an  
16 hourly basis than we do.

17 MEMBER MARTIN: Do you know what their  
18 square foot price is?

19 MR. WALKER: I don't. I will tell you that  
20 theirs is less. But I will tell you that it is also  
21 a moving target. When they came in originally they  
22 were probably 20 percent less than we were. We knew  
23 that going in, that they were going to be less.  
24 What they're finding out as they're executing down  
25 there is that it is a whole new ball game. So that

1 equation has changed greatly since they first  
2 executed. They were understaffed. They were  
3 undersupervised, and they've noticed -- they've  
4 reconciled that stuff. I don't know what it is  
5 today, but I would suggest that it is probably real  
6 comparable now that they've got in there. And  
7 understand the complexity of operating in a  
8 correctional environment. So it is probably pretty  
9 close now. Originally, they were probably 20  
10 percent less than we were.

11 MR. PATTILLO: We are putting a pro forma  
12 together that would compare if we took on Stockton  
13 just by itself compared to what it is. Actually,  
14 Pride asked us to do that, to see what the cost  
15 differential would be.

16 MEMBER MARTIN: Thank you.

17 CHAIR KERNAN: Okay.

18 No other comments from the Board?

19 Any comments from the public?

20 Seeing none, can I get a motion?

21 MEMBER TRUJILLO: So moved.

22 CHAIR KERNAN: A second.

23 MEMBER McGUIRE: Second.

24 CHAIR KERNAN: Madam Secretary.

25 MS. VUONG: Member Davison.

1 MEMBER DAVISON: Approved.  
2 MS. VUONG: Member Martin.  
3 MEMBER MARTIN: Approved.  
4 MS. VUONG: Member McGuire.  
5 MEMBER McGuire: Approved.  
6 MS. VUONG: Member Steeb.  
7 MEMBER STEEB: Approved.  
8 MS. VUONG: Member Trujillo.  
9 MEMBER TRUJILLO: Approved.  
10 MS. VUONG: Chair Kernan.  
11 CHAIR KERNAN: Approved.  
12 MS. VUONG: Motion passes six-zero.  
13 MR. PATTILLO: We're going into Action Item  
14 C, and our General Counsel, Jeff Sly, is going to  
15 present the next three items.  
16 MR. SLY: Good morning. I'm Jeff Sly,  
17 General Counsel for California Prison Industry  
18 Authority and also Counsel for the Board.  
19 This first item, or first in line, Action Item  
20 C, we're asking the Board to approve an amendment of  
21 our regulation that allows for the increase in pay  
22 ranges for the inmates. The General Manager,  
23 pursuant to Penal Code Section 2811, is given the  
24 authority to increase the set inmate pay. At this  
25 time, he would like to increase the ranges five

1 cents at each level.

2 We need the Board to approve changing/amending  
3 our regulations to put that into play. We are  
4 asking that the Board to approve that today. I will  
5 end it right there unless anybody has any specify  
6 questions.

7 MR. PATTILLO: The finances regarding the  
8 budget, the money is already in the budget. That  
9 was approved in June. The statute gives me the  
10 authority to change the pay. However, we have to go  
11 back on the regulation to change that.

12 MEMBER TRUJILLO: Was the head of the  
13 statute changed? This came before the Board what,  
14 three, four years ago?

15 MR. PATTILLO: Yes. It did come several  
16 years ago. It came at a different -- it didn't come  
17 as a regulation approval; it came as an approval of  
18 the pay. At that time it was voted down, at that  
19 time, eight years ago. Back when Mr. Greenstone was  
20 with us.

21 MEMBER TRUJILLO: I remember it coming  
22 before.

23 MR. PATTILLO: This is regulation versus --

24 MR. SLY: Penal Code Section 2811 has  
25 always given the General Manager the authority to

1 establish the pay. So years ago we put that to a  
2 regulation because we were getting some challenges  
3 from some inmates with regards to how they get paid,  
4 vacation pay and some other things. So we want our  
5 regulation to say here is what your pay is going to  
6 be.

7 Now that he wants to make a change, we have a  
8 regulation that says this is what the pay is. We  
9 need to change the regulation. Basically, what the  
10 Office of Administrative Law wants is for the Board  
11 to approve the amendment of the regulation.

12 We are not challenging Mr. Pattillo's ability  
13 to set the pay. They just want the Board to approve  
14 that we are going to amend our regulation, and  
15 that's what we are here to get today.

16 MEMBER STEEB: I'm sorry, can I just ask:  
17 What is driving the five cents? What is driving the  
18 whole thing? I can imagine what it is. I want to  
19 hear it from you.

20 MR. PATTILLO: I will say it is the top  
21 end. Obviously, the offenders are spending their  
22 money on food and services inside the prison. Some  
23 save their money. One of the things we wanted to do  
24 was even pay scale for comparison. Fire camp,  
25 they're a dollar an hour in most cases. We wanted

1 some kind of comparison when we're doing  
2 apples-to-apples comparison in program operation.

3 I anticipate that if we can raise more in the  
4 future years, 'cause I know this pay raise is  
5 nothing compared to what the prices have gone up for  
6 what the offenders are paying inside for simple  
7 things. Like snacks have gone -- they're above  
8 vending machine prices.

9 MEMBER TRUJILLO: Chuck, it also helps  
10 restitution, doesn't it, too? Setting the pay?

11 MR. PATTILLO: It does. Anybody who has a  
12 restitution order, 50 percent would go to  
13 restitution. It would increase restitution also.

14 CHAIR KERNAN: By raising the pay are you  
15 incentivizing more inmates to participate?

16 MR. PATTILLO: We are. And that's the  
17 upper end where we want to compete with not only --  
18 we want to compete with the fire camps also on that  
19 pricing.

20 CHAIR KERNAN: Okay. Any other comments  
21 from Board?

22 Any comment from the public on this matter?

23 May I get a motion to approve?

24 MEMBER STEEB: Move to approve.

25 CHAIR KERNAN: Second.



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MEMBER TRUJILLO: Second.  
CHAIR KERNAN: Board Secretary.  
MS. VUONG: Member Davison.  
MEMBER DAVISON: Approve.  
MS. VUONG: Member Martin.  
MEMBER MARTIN: Approve.  
MS. VUONG: Member McGuire.  
MEMBER MCGUIRE: Approve.  
MS. VUONG: Member Steeb.  
MEMBER STEEB: Approve.  
MS. VUONG: Member Trujillo.  
MEMBER TRUJILLO: Yes.  
MS. VUONG: Chair Kernan.  
CHAIR KERNAN: Approve.  
MS. VUONG: Motion passes six-zero.  
MR. SLY: Action Item D. Here we are asking the Board to approve our regulations that will give the General Manager the authority to establish sensitive positions for purpose of reasonable suspicion of drug-testing for our employees.

We brought regulations before the Board in the past with regards to establishing our Reasonable Suspicion Drug Testing Program. The very basis for that program is establishing which employees are

1 going to be subject to that testing. We have worked  
2 with CalHR for the last five years on trying to get  
3 all of our positions approved.

4 We kind of reached a point where they're  
5 really not working with us very much anymore. We  
6 thought rather than continue beating our heads  
7 against the wall, we would just do our own  
8 regulations and take over our own authority to --  
9 since we have the authority to do the drug-tstaing,  
10 we anticipate we now have the authority to determine  
11 who is going to be drug-tested. We decided to  
12 streamline our program and make it easier for our  
13 General Manager to make a determination of which  
14 positions should or shouldn't be subject to  
15 drug-tstaing. That's what this regulation intends  
16 to do.

17 Unless you have any questions, I will ask the  
18 Board to approve that.

19 MEMBER MARTIN: I have a question real  
20 quick. I looked at the regulation. The proposed  
21 language is identical to what CalHR actually has in  
22 their current regulation.

23 MR. SLY: Very similar. The reason we're  
24 doing it ourselves is to avoid having to play by  
25 their rules in their time-frame. We are almost of

1 no importance to them. We don't get very  
2 high-priority attention to our requests from them.  
3 Probably if this reg passes and we do our own, my  
4 guess is, in a week, the General Manager can approve  
5 sensitive positions for us that I've been working  
6 with and banging heads with CalHR for over five  
7 years.

8 It's basically a time thing. We're just  
9 trying to get around this stall that we get from  
10 them all the time.

11 CHAIR KERNAN: Does CalHR know that --

12 MR. SLY: We served them notice on this.

13 CHAIR KERNAN: -- that the General Manager  
14 is a nationally awarded --

15 MR. SLY: They don't know that. They know  
16 we are doing this.

17 CHAIR KERNAN: Just completely off topic.  
18 Does Prop 64 have any impact on your reg?

19 MR. SLY: Well, not for us it won't.  
20 Mr. Pattillo and I have been talking about that --  
21 we have a no-tolerance policy for any drugs. So if  
22 anybody chooses to recreationally participate in  
23 marijuana and then come to work in an inebriated  
24 condition, demonstrating reasonable suspicion, they  
25 will be drug-tested. And if they test positive,

1 under our current policy, they will probably lose  
2 their job.

3 MR. PATTILLO: That is federal law. Same  
4 with the officers, with the officer policy.

5 CHAIR KERNAN: Okay.

6 MEMBER TRUJILLO: One question. The  
7 officers are under the same program.

8 MR. PATTILLO: Basically, everybody on  
9 drug-tstaing, specifically on marijuana. That's  
10 federal law. So we're following, basically, what  
11 the federal law is on the issue of influence of  
12 marijuana even though the state has voted to allow  
13 this. We know it's just like alcohol. If you come  
14 inebriated, this is what is going to happen.

15 I think we give more options for diversion  
16 than most programs will give you.

17 MEMBER TRUJILLO: Mr. Secretary, is there  
18 any issue with the corrections unit?

19 CHAIR KERNAN: No. I don't think so. As  
20 peace officers, to that point it can go the same  
21 way. If somebody comes to work under the influence  
22 of marijuana, then that would be reasonable  
23 suspicion and we'd take our protocol. I don't  
24 anticipate any problem there.

25 MEMBER TRUJILLO: Thank you.

1 MR. SLY: It's our Drug and Alcohol Testing  
2 Program. So if somebody comes to work in an  
3 inebriated condition and they're demonstrating, it  
4 leads to suspicion, it doesn't matter whether  
5 they're on drugs or alcohol. They're going to be  
6 tested. And if it comes up positive, then they'll  
7 be subject to the provisions of the policy which may  
8 lead to dismissal.

9 MR. PATTILLO: We won't invoke --

10 MR. SLY: We don't have a real big problem  
11 with this. In fact, those two times it was invoked,  
12 the Department of Corrections did the testing. The  
13 Wardens took it upon themselves to test.

14 CHAIR KERNAN: Okay. Any other there  
15 comment from the Board?

16 Any comments from the public?

17 May I get a motion?

18 MEMBER STEEB: So moved.

19 CHAIR KERNAN: May I have a second?

20 MEMBER MARTIN: I'll second.

21 CHAIR KERNAN: Madam Secretary.

22 MS. VUONG: Member Davison.

23 MEMBER DAVISON: Approved.

24 MS. VUONG: Member Martin.

25 MEMBER MARTIN: Approved.

1 MS. VUONG: Member McGuire.

2 MEMBER McGuire: Approved.

3 MS. VUONG: Member Steeb.

4 MEMBER STEEB: Approved.

5 MS. VUONG: Member Trujillo.

6 MEMBER TRUJILLO: Yes.

7 MS. VUONG: Chair Kernan.

8 CHAIR KERNAN: Approve.

9 MS. VUONG: Motion passes six-zero.

10 MR. SLY: Action Item E. Basically, the  
11 Department of Corrections has their own regulations  
12 that deal with the inmates who test positive for the  
13 use of drugs inside the prison. Their regulations  
14 also have a provision for an inmate refusing, who  
15 refuses to test. Our regulations, we omitted that  
16 refusal-to-test part, so we now are trying to catch  
17 up.

18 What's driving this is a few months ago, we  
19 had two inmates who were cited to test at CDCR.  
20 They declined. They refused to test. CDCR  
21 implemented their disciplinary action, which,  
22 pursuant to their regulation, makes it able to take  
23 all their pay that they earned away for a period of  
24 90 days. They were working for PIA. So they  
25 started not showing up for work, leaving early,

1 telling their supervisor they didn't need to be  
2 there; they were going to go back to their cell.

3           When questioned about that, they told them  
4 that: "Look, we got our pay taken away by CDCR,  
5 what's the point of us being here?" We thought  
6 about that, and that's not a good thing. We don't  
7 want an inmate who refuses to test, who refuses to  
8 test because they've got something to hide. We  
9 don't want those types of people working in the  
10 factories in dangerous conditions, which we have.

11           This amendment is to add just, "By the way, if  
12 you refuse to test we are going to deem it a  
13 positive test and you will be removed immediately  
14 from our program and have to go through all the same  
15 substance abuse programs you have to do if you  
16 actually tested positive to get back in."

17           This is just closing a loophole which we  
18 omitted when we did our regs in the first place.

19           CHAIR KERNAN: Any comments from the Board?

20           Any comments from the public?

21           Seeing none, can I get a motion?

22           MEMBER McGUIRE: Approve adoption.

23           MEMBER MARTIN: Second.

24           CHAIR KERNAN: Madam Secretary.

25           MS. VUONG: Member Davison.

1 MEMBER DAVISON: Approve.  
2 MS. VUONG: Member Martin.  
3 MEMBER MARTIN: Approve.  
4 MS. VUONG: Member McGuire.  
5 MEMBER MCGUIRE: Approve.  
6 MS. VUONG: Member Steeb.  
7 MEMBER STEEB: Approve.  
8 MS. VUONG: Member Trujillo.  
9 MEMBER TRUJILLO: Approve.  
10 MS. VUONG: Chair Kernan.  
11 CHAIR KERNAN: Approve.  
12 MS. VUONG: Motion passes six-zero.  
13 MR. PATTILLO: Secretary Kernan, I will  
14 take a diversion a little bit and have Michele Kane  
15 give the External Affairs so she can get back inside  
16 and make sure the graduation is all in place.  
17 Michele.  
18 MS. KANE: Good morning, Chair. Good  
19 morning, Board Members. I'm Michele Kane, Chief of  
20 External Affairs for the California Prison Industry  
21 Authority.  
22 A few highlights since we last met on November  
23 30. We had a very successful Jail Industry  
24 Authority tour. We had 18 representatives from  
25 various counties attend the meeting and tour, and we



1 were able meet face-to-face with them and provide  
2 support as well as just talk about the new bill that  
3 is now law. We shared ideas about the new Jail  
4 Industry Authority.

5 Last week, we had ABC News 10 show up and do a  
6 wonderful, positive story about our E-Waste Program  
7 in Sacramento, as well as our computer-refurbishing  
8 program, and that's at N.A. Chaderjian. We were  
9 able to walk around with the reporters and show them  
10 that this is a Free Venture Program through Merit  
11 Partners where wards were learning valuable job  
12 skills, and they earned industry comparable wages.  
13 A very positive, uplifting story on ABC News.

14 After this morning's Board meeting CalPIA is  
15 hosting a graduation. We have 25 graduates, and  
16 they will be graduating from our Pre-Apprentice  
17 Carpentry, Pre-Apprentice Construction Labor, as  
18 well as our Healthcare Facilities Maintenance  
19 Program. And we are expecting to have media  
20 coverage at this event. Both KCAL as well as the  
21 Chino Champions will be attending the event.

22 And last but not least, we have been working  
23 on the Annual Report to the Legislature. You will  
24 be able to look at this report before our next Board  
25 meeting, which is going to be held on January 30th.

1 I just want to say Happy Holidays to you and  
2 your families, and I look forward to seeing you at  
3 the graduation.

4 CHAIR KERNAN: Any questions?

5 You may leave. Thank you. Hurry up.

6 MR. PATTILLO: That meeting on January 30th  
7 will be in Sacramento at the Showroom. I believe it  
8 is going to be local there. It is a call-in  
9 location so the folks that are down here --

10 You may be down here.

11 MEMBER DAVISON: I won't be down here.

12 MR. PATTILLO: We will have remote calling  
13 for a very quick meeting. Unfortunately, you can't  
14 call in from your home. You have to go to the  
15 publicly noticed Showroom in Sacramento, maybe San  
16 Diego or L.A.

17 With that, I will call Rusty. Mr. Bechtold is  
18 here to do his Lost Hours and everything else.

19 MR. BECHTOLD: Good morning, Mr. Chair and  
20 Board Members. My name is Rusty Bechtold. I am  
21 Chief of the Workforce Development for the  
22 California Prison Industry Authority.

23 I'm going to go over this morning several  
24 sections in your binder starting with Item F, the  
25 Lost Hours for CalPIA. Before we get started, I

1 just want to make mention to the Board that, as the  
2 Workforce Development Chief, we've been making  
3 significant strides with the help of the entire  
4 organization and the Board in regards to offering  
5 certifications, reducing recidivism and training the  
6 offenders. And I'm very proud to be part of that.  
7 So you can see as we go through the documents that  
8 we are still headed in the right direction, and  
9 that's all about the number one product, that the  
10 offender doesn't come back to prison. And through  
11 these documents that is the direction we are  
12 heading. Thank you for your support and what you  
13 guys do for us.

14 Turning to the Lost Hours report, Tab F. Our  
15 Available Hours increased, so we had more hours  
16 available for offenders to work. Comparing third  
17 quarter of last year to first quarter of this year,  
18 they've gone up 9 percent. So we have more  
19 available hours for the offenders to work and do  
20 their job. And on top of that, the actual Paid  
21 Hours went up as well. That means we had available  
22 and actually paid more, so therefore we had more  
23 training hours which were given and more  
24 opportunities for those offenders to do their job  
25 and earn their certificates.

1           The Lost Hours, however, did go up, increased  
2 from one quarter to the next, primarily due to our  
3 Industry-Related Hours and our Vacant Lost Hours.  
4 As Mr. Pattillo talked about before, our HFM Program  
5 in our budget have not been activated yet. So we  
6 have 450 positions that have not been filled, so,  
7 therefore, we count those particular positions in  
8 our Vacancy and our overall Lost Hours. Once we  
9 start to fill those positions and put guys in those,  
10 that vacancy rate will go down and Lost Hours will  
11 be less.

12           Other Lost Hours have decreased in our Total  
13 Vacant Hours, which is primarily concentrated on the  
14 Department of Corrections side. We can't fill those  
15 800 positions that are outside the wire right now in  
16 regards to the right population. But, overall, Lost  
17 Hours have decreased. So that is helpful. I would  
18 like to see that in regard to going in that  
19 direction.

20           If you turn to F1, I won't spend a lot of time  
21 on the pie chart breakdown in regards to how the  
22 actual hours are broken out in regards to Vacancies  
23 and Industry Lost Hours, production hours.

24           The Lost Hours comparison on the next tab  
25 shows the individual ones versus the total lost

1 hours, and you can see what I was talking about,  
2 over time the blue line is crossing the orange line  
3 in regards to having vacant positions going up and  
4 our positions going up over time.

5 MEMBER STEEB: Is there a concentration of  
6 either positions or locations where this is being  
7 driven?

8 MR. BECHTOLD: Primarily through locations  
9 in regard to what specific area?

10 MEMBER STEEB: Yes. The actual prison site  
11 or is there a job?

12 MR. BECHTOLD: Yes. A lot of areas, for  
13 instance like DVI, which has a dairy outside the  
14 wire or if it has an actual area. At Avenal, to  
15 pick one area, because it is outside the wire, we're  
16 having trouble getting the right level of offenders  
17 in those positions. It's hard to put a full-fledged  
18 dairy behind the wire in regards to -- those have  
19 always been set up outside. Once the reduction of  
20 those particular level inmates, it's been tough to  
21 fill those positions for everyone, not just PIA.

22 MEMBER STEEB: We don't anticipate that  
23 changing?

24 CHAIR KERNAN: I would anticipate it  
25 getting worse.

1 MR. BECHTOLD: Definitely not better.

2 After that you go to the next one in regards  
3 to the offender assignments. There is an increase  
4 of 413 offender assignments fourth quarter to first  
5 quarter. That's a good sign, increase in the number  
6 of offenders in our program. That will be increased  
7 over time as we start to fill those HFM positions.

8 Is there any questions in regard to the Lost  
9 Hours report?

10 Great. Next section is Tab G, which is the  
11 Accredited Certifications and Certificate of  
12 Proficiencies. We had a decrease from quarter to  
13 quarter of 289 Accredited Certification nominations.  
14 If you are familiar with our process, we have a  
15 nomination and a closure process. So they have to  
16 be nominated to enter the certification and a  
17 closure to close it out in regards to if they pass,  
18 fail or transfer in either of the areas that we have  
19 in regards to figuring out what happened when we  
20 closed.

21 Fourth quarter we had 1,771 Accredited  
22 Nominations processed, and in the first quarter we  
23 had 1,482.

24 Switch over to G1. You can see the chart in  
25 regards to those overtime over the last two years.

1 Will give you some longevity. The reason the  
2 decrease here is we've only gotten through one  
3 quarter. We anticipate that to be at the same level  
4 as last year based upon straight lines with the  
5 numbers over time. We have '15-16 and then '16-17.  
6 That drop is because that is only three months.  
7 We're projecting -- we anticipate being at the same  
8 level.

9           The next tab on G2 is the Accredited  
10 Certification Closures information. The Board has  
11 asked for, in the past, in regards to how many  
12 passed, how many failed, what was the reason for the  
13 closure and how they turned out. You can see from  
14 Ad Seg to paroled to -- the biggest one is just not  
15 passing the exam.

16           MEMBER STEEB: Have you seen any changes in  
17 the last couple of years in the number of people  
18 needing a high school GED? Does that remain pretty  
19 much the same?

20           MR. BECHTOLD: The ones that need it?

21           MEMBER STEEB: Yes.

22           MR. BECHTOLD: We've seen the number  
23 decrease over time with the GED. I think the chart  
24 with get there at that. We've done a better job of  
25 reporting it because it was self-reported, and now

1 we're taking a little more interest to find out. So  
2 it's really hard to compare to the past. If we  
3 weren't really doing a good job of validating, we  
4 had to rely on the inmate on good education. They  
5 didn't have SOMS. So it's really hard to tell how  
6 good a job we're doing today if weren't five years  
7 ago.

8 I think going forward, in the last year or  
9 two, we've done a much better job of getting a good  
10 idea of how many have a GED now. So going forward,  
11 we probably can answer that question.

12 We have to make that a requirement over time  
13 to our regulations. You guys have seen that in the  
14 past. So making that a regulation over the last  
15 several years has helped in regards to making sure  
16 they know they can have help.

17 MR. PATTILLO: The current requirement is,  
18 that the Board passed five years ago, within 24  
19 months of coming to us you have to have your GED.  
20 So now we are at 81 percent of our overall  
21 population with us has a GED. The only  
22 group/program that has a higher percentage of GED is  
23 the college program, which would make sense since  
24 they've already got it. I think that regulation  
25 that the Board passed has been very helpful for



1 managing that and kind of putting it out in front of  
2 the offenders.

3 MEMBER STEEB: My question is more that as  
4 we've seen a more challenging population at the  
5 prison level, it would be interesting if there was a  
6 correlation between how --

7 CHAIR KERNAN: Education.

8 MEMBER STEEB: Right.

9 CHAIR KERNAN: Not just PIA, you're talking  
10 overall?

11 MEMBER STEEB: Right.

12 CHAIR KERNAN: I don't know the answer.  
13 But I think we do have authority to get that  
14 information, see how many more are coming in without  
15 it, the degree, than before.

16 MEMBER STEEB: Yes.

17 MEMBER DAVISON: Can I before you go?

18 You were talking and I was honing in on this  
19 one. So if you passed it up, forgive me for going  
20 back and asking about it.

21 I was looking at the Certification Closures  
22 and the disqualification and drops. And 15 percent,  
23 it says, transferred to another institution prior to  
24 completing the enrolled courses.

25 Are you able to keep somebody in your program

1 as a reason for them not being transferred?

2 MR. BECHTOLD: If they were to go into  
3 another location that had a PIA program, they could  
4 pick up where they left off, if they were to be  
5 renominated and picked up. So there would be  
6 another nomination, and then they'd be put in to  
7 continue and finish the program. Yes.

8 MEMBER DAVISON: They would have to -- it  
9 wouldn't be automatic?

10 MR. PATTILLO: No.

11 CHAIR KERNAN: She's asking: Does PIA have  
12 the ability to say "I don't want this inmate  
13 transferred because he's in a program?" And the  
14 answer to that question is --

15 MR. PATTILLO: No.

16 CHAIR KERNAN: No.

17 MR. WALKER: We work with the Wardens out  
18 there to do that, but their hands are getting more  
19 and more tied by folks in Sacramento. We're looking  
20 at a process right now where we can designate some  
21 of our folks to do that. We're kind of using CMC as  
22 a pilot because there's a lot of turnover at CMC.  
23 We're trying to identify, for lack of a better term,  
24 a process that would allow us a permanent work crew,  
25 a certain number of them, and use that to do that.

1 It used to be that the Wardens had more, as you  
2 know, more discretion on who got on that bus or who  
3 didn't get on that bus. But now there's not as much  
4 discretion. At least if you had an open bed on  
5 Level 2, and they had somebody that had to go on  
6 there, they could pull off a PIA and maybe put  
7 somebody on that that met that criteria.

8 Their hands are getting more and more tied, as  
9 you know, about being able to do that. We are still  
10 working with them, but we're looking at CMC to start  
11 a pilot program to have a little bit more discretion  
12 over that. We've invested a lot of time with these  
13 folks. They're energized, as you know, to do this  
14 and you pull them out of there, and it kind of kills  
15 the whole idea.

16 MEMBER DAVISON: The reason I say that is  
17 because I'm doing it. I'm looking at what is the  
18 person, and I am saying -- as a Warden, I'm saying  
19 that person has a special skill and they are going  
20 somewhere else. They're not going to be able to  
21 pick up that program. And I feel that it is in  
22 their benefit to be able to get a certification  
23 here, so I'm saying they're staying here.

24 CHAIR KERNAN: You are stubbornly defying  
25 CDCR. Congratulations.

1           The answer of transferring the inmates is such  
2 a complicated thing and why they do it. It's  
3 probably less in the female system because there is  
4 few of them. On the male side it's even more. And  
5 us trying to stay under the 137.5 tab or if the  
6 inmate has gang issues or medical issues or mental  
7 health issues. It's a very complicated balance of  
8 population management. And so some level of  
9 transfers, even if they're in a good program, is  
10 unavoidable.

11           I do want the Wardens to take that ownership  
12 and say, "No, leave this person here for a few more  
13 months and let them get their program." I do want  
14 that.

15           MEMBER DAVISON: I know you do.

16           CHAIR KERNAN: It's a complicated mess.

17           MEMBER DAVISON: If you take all of those  
18 things into consideration, it all comes down to you  
19 have the ability to allow that offender to get that  
20 certification because you believe in rehabilitation  
21 and it's going to be best for that person, then I  
22 say, "Why not?" And that's what I'm doing, and I'm  
23 raising my hand to the Secretary and saying, "I'm  
24 doing it because it's best for them." And I just  
25 did it for one of our ladies here. She has a

1 special skill. I want her to stay here. And it was  
2 a simple one. It really was a simple one.

3 CHAIR KERNAN: We are trying to get inmates  
4 out to community reentry before they complete their  
5 sentence so that they can have the warm handoff and  
6 be better prepared to parole. So that's the  
7 balance. So that's what I want from my stubborn,  
8 defiant Wardens - good common sense decisions that  
9 are the best for the inmate.

10 MEMBER DAVISON: Right.

11 MR. PATTILLO: We have some relief because,  
12 remember, a year ago we had 13 hubs where they were  
13 transferring people. Only in a hub could you get  
14 alternative programming. Now that they've done away  
15 with the hub model and are expanding it systemwide,  
16 we have a little relief there. But we still have  
17 the get-off-the-bus/get-on-the-bus issue.

18 MR. WALKER: At intake at CMC it had a 200  
19 percent turnover last year.

20 MEMBER DAVISON: That really impacts their  
21 ability to be successful when they get out if they  
22 are not able to finish their program. And  
23 especially for PIA if they have to go to another  
24 facility where they do have a program, but they have  
25 to go through, like you say, the renomination

1 process. So it's not even a for-sure thing once  
2 they get there.

3 MR. PATTILLO: It's also a product quality  
4 issue for us, too.

5 MEMBER DAVISON: Of course.

6 MR. PATTILLO: The retraining of the folks  
7 you will see in here is one of -- Hilda Najera is  
8 here. She can attest to the turnover in her factory  
9 has had a direct impact on the quality of goods and  
10 services.

11 MEMBER DAVISON: Right.

12 MR. BECHTOLD: From an operational setting  
13 Mr. Walker can also appreciate the field has been  
14 battling exactly what you've been doing for decades.  
15 They've always tried to request the same thing that  
16 you've tried to do, trying to hang on to those  
17 offenders that are in the middle of a program that  
18 are key to our operation. That's just an ongoing  
19 request that we always try to handle. As the  
20 Chairman said, we don't always get that way, but  
21 sometimes it works as we can see.

22 CHAIR KERNAN: 130,000 inmates in the  
23 system. If I have empty beds on the lower end and a  
24 person's classification and score goes down and I  
25 can put him in that lower bed, that's what we need

1 to do. So that is managing our population, but  
2 thanks for your defiance.

3 MEMBER DAVISON: You've known me for a long  
4 time. I've always been that way.

5 MR. BECHTOLD: In regards to the quarterly  
6 average of '15-16 compared to the first quarter,  
7 we're up an increase of 17 percent. So we had 1,078  
8 average last year, and we're over 1,300 this year in  
9 regards to certifications. We are heading in the  
10 right direction.

11 Any questions on the Certifications?

12 Proficiency certifications. Proficiency  
13 certifications, this is a new process which we  
14 announced a couple of years ago. We are finally in  
15 effect since June of this last year. It is now  
16 based on skills, knowledge and ability and not  
17 hours. They have to be at least a B-level pay range  
18 in order to be eligible for this proficiency. They  
19 actually have to take a test that's designed based  
20 on the occupational code for that position. So it's  
21 actually proving through the testing and through  
22 them getting to the B-level semiskilled position  
23 that they are competent in the job that they are  
24 doing. Not just based on hours.

25 So the numbers that were given to you here are

1 going to be a little skewed for a while because  
2 we're comparing them to how we used to do it in the  
3 past, which was mixed and just on hours. So that  
4 level under proficiency certification base is going  
5 to be changing over time. We're giving you that  
6 information, anyway, to show where we are at right  
7 now.

8 Any questions on that, the proficiencies?

9 GED section. GED, in the first quarter on  
10 average we had 4,951 offenders assigned; 81 percent  
11 of those offenders possessed a GED or high school  
12 equivalent. The rest did not possess or are in the  
13 process of while they're working for us in PIA.

14 If you want to compare that with regards to  
15 last year at this quarter, same time, was 79 percent  
16 last year and we're at 81 percent this year. So we  
17 are slightly above in regards to that information.  
18 It is self-reported and verified as best we can  
19 through our reporting process, with the supervisory  
20 going with the best information that has been  
21 provided to us through our program.

22 Any questions?

23 And in regards to the Transition Program, we  
24 added this to the information item. I reported on  
25 this last meeting. This is a program that we used



1 to report offering our offenders the ability to  
2 transfer out with the skills and knowledge and  
3 information they have achieved during PIA. They're  
4 able to be nominated 180 days before they leave.  
5 They have a list of things that they're eligible  
6 for, like reentry appointments, Social Security card  
7 appointments, Veteran's information, how to obtain a  
8 birth certificate, how to do a résumé. Those sorts  
9 of things. We help them with community and job  
10 locations through our resource guide that PIA keeps  
11 up-to-date on a daily basis.

12           If you look at the actual chart, you can see  
13 over time what we've done in regard to transition.  
14 They have actually gone off the chart since we've  
15 been reporting in 2011 regarding the number of  
16 offenders participating in that program.

17           Any questions about the Transition Program?

18           MEMBER STEEB: Because it's so new, we  
19 don't have much data?

20           MR. BECHTOLD: Correct. We've been doing  
21 this for a while, but we've never pushed it. Now  
22 we're actually marketing it. We're actually putting  
23 posters up in the factory, not only putting it in  
24 the Board, but in the institution. We're showing  
25 the benefits for keeping our resource guy

1 up-to-date. We've dedicated staff to doing that  
2 only because it takes a phone call to talk to the  
3 offenders one-on-one and get the information. As  
4 you well know, each instance is unique and where  
5 they're going, what they're doing, what job skills  
6 they have. We try to tailor it for that specific  
7 offender. We paired up with CDCR's Transitions, so  
8 hopefully with that package when they get out they  
9 should have everything they need, all they need to  
10 apply themselves.

11 MR. PATTILLO: Our numbers will also go up,  
12 Ms. Steeb, because going away from the 13 hubs  
13 without paroling from PIA, they were going from us  
14 back to CDCR proper, and they weren't coming back to  
15 us from the transition. Now they are still with us  
16 right up to their parole.

17 MEMBER STEEB: Then we're going to track  
18 them long-term?

19 MR. PATTILLO: We still don't have a  
20 methodology for tracking them long-term. I think,  
21 now that we've gotten some more numbers, we can  
22 track that individual group. What the State Auditor  
23 is asking us for is to track all PIA, but tracking a  
24 subset should be a little bit easier. As we  
25 discussed before, it's about the issue of Social

1 Security number verification, which has been an  
2 issue for us. These numbers are trackable, so we'll  
3 have data on this one.

4 CHAIR KERNAN: Once they get to the  
5 community, we lose track of them.

6 MR. PATTILLO: We do lose track of some.  
7 There is no requirement that they report back to us.  
8 So that was also one of the issues. So trying to  
9 figure out ways to report them, like checking their  
10 Social Security, their quarterly payments, that's  
11 been difficult.

12 MEMBER STEEB: They don't get it.

13 MR. BECHTOLD: One final comment that I  
14 want to report on is the CALPIA Substance Use  
15 Disorder Treatment Model. It's CALPIA and CDCR's  
16 Division of Rehabilitation Program that partnered to  
17 colocate traditional DRP Programs, general college  
18 education, vocational training within an existing  
19 CALPIA enterprise. The initial CALPIA SUDT  
20 locations right are now currently are Folsom,  
21 Avenal, CCI, CIM, VSP, CMC, Corcoran, and FSP, which  
22 we chose these sites based upon a sampling of CALPIA  
23 site offenders with the assessed need for it.

24 By December of this year, 120 PIA SUDT  
25 programs will be available. So we will be offering

1 those half-time positions where they can go get  
2 their treatment and at the same time be able to work  
3 for PIA and hold a job and get paid to do that. The  
4 offenders will also graduate and be offered a  
5 full-time paid position with PIA upon their  
6 completion of the program. We are going to be doing  
7 12 assignments per location. So far, so good, as  
8 our locations are working out very well.

9 I want to have Melissa, if she can, hand out  
10 to you -- I provided you the current ethnicity  
11 profile for CALPIA, and I have included the  
12 breakdown for CALPIA and CIW, this institution, so  
13 you can see what is happening in regards to why  
14 you're here today. All are broken down by men and  
15 women for those Board Members that have requested  
16 that.

17 Thank you for your time.

18 MR. PATTILLO: This is Rusty's last time  
19 here as Chief of the Workforce Development Branch.  
20 He is going back to the Operation's Division where  
21 he is taking over the Consumables Branch, which is  
22 food and everything food-like under the sun. That  
23 is where we got him from, actually. We stole him a  
24 couple years ago, and he's done a great job in  
25 setting up the Workforce Development Branch, which

1 is CTE, the Joint Venture, and our IEP, which is our  
2 HR for offenders. We will be recruiting to  
3 back-fill Rusty. He will still be doing both  
4 jobs.

5 CHAIR KERNAN: You are sending him to a  
6 harder job as he's done a good job.

7 MR. PATTILLO: Rusty is Honorable Mention  
8 for Staff of the Year at NCIA also.

9 CHAIR KERNAN: Good luck, Rusty.

10 MR. BECHTOLD: Thank you.

11 MR. PATTILLO: That concludes --

12 MR. WALKER: Board Members, we also have  
13 one more thing. I would like to in front of the  
14 Board acknowledge Ms. Hilda Najera. She served the  
15 State of California 25 years. Today is her last  
16 day. She works for us down here. She's been  
17 running a real tight ship down here. For anybody  
18 who knows her knows the quality of the work that  
19 comes out of her shops. She's instrumental in new  
20 products - firefighting gear, et cetera, et cetera,  
21 et cetera. She's going to be missed.

22 So congratulations on your retirement. We  
23 will miss you.

24 MS. NAJERA: I didn't expect that and I  
25 don't want to start crying. But I have -- all my

1 years I have dedicated to PIA I have a good memory  
2 of the institutions that I work. I started working  
3 at CTF, and I love it. I don't resent anybody. I  
4 learn from the inmates. I learn from the system for  
5 all people that helped me and Central Office, my  
6 General Manager. He has supported me as well as I  
7 work with you, too. And all my managers, I remember  
8 every single administrator that I went to. I love  
9 the way that PIA works.

10 Thank you for all this.

11 CHAIR KERNAN: Good luck on retirement.

12 Madam Secretary, do I have to read this last  
13 part?

14 MS. VUONG: You've gotta read that.

15 CHAIR KERNAN: Under the Bagley-Keene Act,  
16 the Board cannot act on items raised during public  
17 comment. They may respond briefly to statements  
18 made or questions posed; or it may request  
19 clarification or refer the item to staff.

20 Would anyone like to make any comments or  
21 address the Board?

22 This concludes the Prison Industry Board  
23 meeting of December 15th, 2016.

24 Is there a motion to adjourn the meeting?

25 MEMBER TRUJILLO: So moved.

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MEMBER STEEB: Second.

CHAIR KERNAN: All in favor.

The meeting is adjourned at 11:00.

(Public meeting concluded at 11:00 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 shorthand writing those proceedings;

That I thereafter caused my shorthand writing to be reduced to printed format, and the pages numbered 3 through 53 herein constitute a record of the proceedings.

IN WITNESS WHEREOF, I have subscribed this certificate at Sacramento, California, on this 13th day of February, 2017.

\_\_\_\_\_  
ESTHER F. SCHWARTZ  
CSR NO. 1564