

BOARD MEETING  
OF THE  
CALIFORNIA PRISON INDUSTRY AUTHORITY

Held in person and via Zoom

CALIFORNIA PRISON INDUSTRY AUTHORITY  
California PIA Showroom  
2125 19<sup>th</sup> Street  
Sacramento, California 95818

TUESDAY, JUNE 20, 2023

10:00 A.M.

Reported By:  
Peter Petty

## APPEARANCES

Board Members (\*present via teleconference)

Jeff Macomber, Chair  
Darshan Singh, Vice Chair\*  
Armond Aghakhanian  
Jemahl Amen\*  
Dawn Davison\*  
Mack Jenkins\*  
Michael Lopez\*  
Felipe Martin\*  
Kyle Patterson\*  
Carlos Quant  
Troy Vaughn\*

Staff Present

William Davidson, General Manager  
Jared Renfro, Acting General Counsel  
Melinda Marion, Board Secretary  
Nicole Collins, Assistant General Manager, Facility  
Operations  
Suzie Changus, Chief Informational Officer  
Michele Kane, Assistant General Manager, External  
Affairs  
Raymond Meek, Assistant General Manager, Marketing  
Division

Public Comment

None

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Reporter's Certificate

Transcriber's Certificate

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

2 June 20, 2023 10:04 A.M.

3 CHAIR MACOMBER: Good morning, everybody.

4 I'll call the meeting of the Prison Industry Board to

5 order at 10:04 AM. I'd also like to note that this

6 meeting is being held at a publicly noticed location.

7 We'll begin by asking-- we will begin-- if you're

8 online, if you could mute your volume that would be

9 great.

10 We will begin by asking the Board Secretary to

11 please call the roll.

12 BOARD SECRETARY MARION: Alright. Good

13 morning, everyone. Chair Macomber?

14 CHAIR MACOMBER: Here.

15 BOARD SECRETARY MARION: Vice Chair Dar Singh?

16 I know he's here, I see him right there.

17 Member Armond Aghakhanian?

18 DR. AGHAHANIAN: Here.

19 BOARD SECRETARY MARION: Member Jemahl Amen?

20 And he did mention that he might be a couple

21 minutes late, so we'll circle back on that.

22 Member Davison?

23 MS. DAVISON: Here.

24 BOARD SECRETARY MARION: Member Jenkins?

25 MR. JENKINS: Here.

1 BOARD SECRETARY MARION: Member Lopez?

2 MR. LOPEZ: Here.

3 BOARD SECRETARY MARION: Member Martin?

4 Member Patterson?

5 MR. PATTERSON: Present, good morning.

6 BOARD SECRETARY MARION: And Member Quant?

7 MR. QUANT: Here.

8 BOARD SECRETARY MARION: And Member Vaughn?

9 All right. Let the record show we have a  
10 quorum of eight members.

11 CHAIR MACOMBER: Thank you. Well, welcome  
12 Board Members and attendees, and thank you for being  
13 here today for the Prison Industry Board Meeting. I'd  
14 like to note that this Board Meeting is being conducted  
15 both in person here at the CalPIA showroom and via  
16 teleconference pursuant to the provisions outlined in  
17 Government Code 11133.

18 If any member of the public would like to  
19 comment, please fill out a speaker request form and hand  
20 it to the Board Secretary. For any members of the  
21 public who are on the line right now who would like to  
22 comment, we will give out further instructions on how to  
23 raise your hand and let the organizer know you would  
24 like to speak. I would request that everyone announce  
25 your full name and affiliation, if necessary, before

1 speaking so there is no confusion. Each speaker for  
2 each item will be limited to two minutes for public  
3 comment.

4 I'd like to start with the opportunity for any  
5 Board Members to make any opening remarks. Any Board  
6 Members would like to make any opening remarks? Hearing  
7 none. Thank you.

8 We'll move on to the General Manager's  
9 comments. Mr. Davidson?

10 MR. DAVIDSON: Good morning, Chair Macomber  
11 and Board Members. It's great to be with you here  
12 today. And I hope for those of you who are down south  
13 or in the Central Valley, I hope that you're  
14 experiencing the same wonderful weather that we've been  
15 experiencing here in the Sacramento area. And I think  
16 it's very rare to have had an April, May, and June like  
17 we've had this year, and it's just been wonderful. So,  
18 I hope it's been this way across the state.

19 But I'd like to start my comments this morning  
20 by introducing you to Jared Renfro. And Jared is kind  
21 of back here in the corner, just raised his hand. But  
22 Jared, he came on board a few weeks ago as our acting  
23 General Counsel, filling in for Jeff Sly, who is out for  
24 a little bit of time. And Jared will continue in this  
25 role until such a time that Mr. Sly comes back.

1           But Jared, he's, he's very familiar with  
2 CalPIA, and our mission, and our operations, having  
3 worked for about eight years in the legal department at  
4 CDCR. And he's also had some private sector experience  
5 before going to work at CDCR. And a lot of that work  
6 had to do with dealing with workers' compensation cases.  
7 So that's something that has been a huge benefit to us.

8           And it's been a pleasure getting to know Jared  
9 these past few weeks, and I'm excited about what he  
10 brings to CalPIA, and he's been a valuable member of our  
11 executive team. So welcome, Jared.

12           MR. RENFRO: Oh, thank you.

13           MR. DAVIDSON: So, I'm going to share with you  
14 some of the exciting things that have happened over the  
15 past three months, and I'm excited about what we've  
16 accomplished and what lies ahead. And I also know that  
17 some of what we'll discuss in some of the Action Items a  
18 little bit later, they might feel a little bit negative.  
19 But it's my perspective that these changes need to be  
20 made in order for us to continue in our efforts to  
21 right-size our organization, and to be properly  
22 positioned to effectively operate and function in light  
23 of the reduced incarcerated population and prison  
24 closures and yard deactivations.

25           We are seeing positive advancements in some of

1 our product lines and offerings, including the addition  
2 of the three-inch foam mattress line, offering juice in  
3 plastic pouches rather than cardboard containers, and  
4 soon to be installed and implemented, a dye sublimation  
5 machine. And that's going to increase what we're able  
6 to offer from a fabric development and production  
7 perspective. So, we are moving forward in a methodical,  
8 and a clear direction. We're trying to do it in a very  
9 ethical, transparent, and meaningful manner.

10 I want to just give a brief update too on  
11 where we are with the SAGE X3 project. And as you know,  
12 that's the replacement of our current ERP, Enterprise  
13 Resource Planning system. We're making great progress  
14 on the development and implementation of this new  
15 system. We have our Sage X3 consulting team on site  
16 this week for a week-long in-person training and testing  
17 session up at the Green Valley Training Center.

18 Our teams have had an opportunity to check out  
19 elements of the accounting configuration such as the  
20 general ledger, accounts receivable, and accounts  
21 payable. Operations will take a look at how planning,  
22 tracking orders, and quality control all work in SAGE  
23 X3. And additionally, we'll have a chance to review and  
24 provide feedback on basic purchasing and sales  
25 processes. Folsom will be the first institution to



1 transition to SAGE X3 from our current ERPLX system.

2 Multiple teams are working hard to prepare for  
3 our license plate enterprise going live in the new  
4 system later this summer, while also taking part in  
5 scoping and requirement gathering for the other  
6 industries running out of Folsom. Currently, the key  
7 priorities of the core project team are to implement our  
8 communication plan for this initiative, develop an  
9 iterative testing and training plan, and continue to  
10 progress with the various integrations the system will  
11 support, and define how we'll migrate data from our  
12 current ERPLX system to Sage X3.

13 We're very excited about where we are in the  
14 process and with the partnership that we've had with our  
15 vendor Net at Work. And we look forward to beginning  
16 the actual implementation within the next couple of  
17 months. And Suzie Changus will give some additional  
18 detail in a few minutes when we discuss the capital  
19 request as part of the designation of cash Action Item.

20 And since our last Board Meeting, we've had  
21 several opportunities to be out and engage with our  
22 partners and our stakeholders. And I just want to touch  
23 on a couple events that we've been able to be involved  
24 with. First of all, on March 29th, Board Members  
25 Jenkins and Aghakhanian were able to come up and join

1 Michele Kane and myself in a tour at the State Capitol,  
2 where we were able to meet with about 10 different state  
3 senators and assembly members and share-- and their  
4 staff, and to help educate them on who we are and what  
5 we are about as an organization, and really focus on our  
6 mission. And I think it was a very good day, a very  
7 full day that was spent there at the Capitol. But I  
8 think it was meaningful and worthwhile.

9           Then on April 20<sup>th</sup>, Rusty Bechtold and Michele  
10 Kane were able to appear before Senate Budget  
11 Subcommittee Five as part of an informational hearing to  
12 again share the rehabilitative and job training work of  
13 CalPIA and the successes of our organization. Their  
14 testimony focused on our workforce development efforts  
15 and the results of our recidivism study. A highlight of  
16 the hearing was the Subcommittee's opportunity to hear  
17 directly from two of our success stories, Vera Salcedo  
18 and Kenyatta Kalisana. The Subcommittee was very  
19 impressed with our efforts and with both Vera and  
20 Kenyatta.

21           And finally on May 4th, Rusty, Michele, and  
22 myself were able to present at the California  
23 Rehabilitation Oversight Board, or the CROB meeting.  
24 Again, our presentation focused on the results of the  
25 recidivism study and our workforce development efforts.

1 The presentation was very well-received by the Board,  
2 and it'll be included in their year-end report. And  
3 again, I appreciate the continued opportunities that we  
4 are having to meet with these stakeholders and to  
5 strengthen the relationships that we have with them.

6 And I also want to just take a moment to  
7 update you on the all-staff meetings and graduations  
8 that we've had since our last Board Meeting in March.  
9 On April 12th, we held an all-staff meeting down at CCWF  
10 with staff from that institution and surrounding  
11 institutions. It was a very good meeting. It was an  
12 open discussion with staff and executive team. And I  
13 just want to share just a very brief story of one of the  
14 things that happened down at that meeting. And we're  
15 taking the opportunity in these all-staff meetings to  
16 try to communicate with staff about the SAGE X3 projects  
17 so that they again are engaged, aware, and participating  
18 in this effort.

19 And so, Brad Smith, our Assistant General  
20 Manager over at operations, he had a barcode scanner  
21 that will be used when we implement the new system. It  
22 was kind of a show and tell type of a moment. And he  
23 held it up and shared it with the group and talked about  
24 it. And I was seated next to one of our staff members  
25 who'd been with PIA for about three months. So, he was

1 a new-- one of our new staff members, one of our new  
2 employees.

3 And he nudged me as Brad was showing that  
4 barcode scanner. And he asked me, he said, "Is that a  
5 zebra?" And fortunately, I had a chance to look at that  
6 device before Brad showed it, and I saw the name brand  
7 on it was Zebra. And so, I was able to tell him, "Yeah,  
8 that's a Zebra." And I looked kind of smart, I guess,  
9 and said it was a Zebra. And he had a big smile on his  
10 face and I said, "Is that a good thing?" And he said,  
11 "Oh yeah, that's a great thing."

12 And so, he was very excited about the devices  
13 and the tools that we'll be using as part of this new  
14 system. And then I could hear him afterward talking  
15 with a number of his colleagues and just sharing about  
16 the benefits of this new tool. And it was just exciting  
17 to see that interaction, that engagement going forward.  
18 So again, it was a very, very good meeting.

19 And as I mentioned at our last Board Meeting,  
20 you know most of the questions from and comments from  
21 our staff, again, at that meeting were centered on how  
22 they can most effectively help the incarcerated  
23 individuals in their preparation for work once they  
24 returned to their communities. So, both the all-staff  
25 meeting and the graduation ceremony were excellent.

1           And then the next month on May 16th, we held  
2 another all-staff meeting down at Lancaster. And I want  
3 to thank Board Members Amen and Patterson for joining us  
4 for the graduation. And Board Member Patterson was the  
5 keynote speaker at the graduation and connected very  
6 well with the graduates. And he also joined us for our  
7 all-staff meeting and spoke to our staff at that  
8 meeting. And so again, we're very appreciative of each  
9 time the Board Members are able to be at our  
10 graduations. And many of you have been to graduations  
11 as we resumed holding them post COVID 19. And again,  
12 your support is wonderful.

13           We also had a very positive news story from  
14 Fox News LA in which they also spoke very positively  
15 about the rehabilitative work that we do and the results  
16 of our recidivism study. And again, it was an excellent  
17 event.

18           And now just a couple brief updates on some of  
19 the things happening in workforce development. And I  
20 want to update you on our next phase of our recidivism  
21 study. And as you know, we're working again with UC  
22 Irvine on the next phase of this. And they're using the  
23 same data that they used on the initial recidivism  
24 study, but to break it down and look at the results by  
25 work program type. For example, food services

1 facilities, healthcare services, metal working, fabrics,  
2 et cetera.

3 UCI has just completed their analysis of the  
4 data and they're finalizing their draft report. And we  
5 should see that final draft report within the next  
6 couple of weeks, and we look forward to sharing it with  
7 the Board. I don't have anything yet specific to share  
8 on the results or the outcomes of that, but I do want to  
9 let you know that that draft report will be coming very  
10 shortly.

11 And then finally, just a quick update on our  
12 Joint Venture Programs. Currently we have seven active  
13 businesses or nonprofits that are involved in the  
14 program, and there are about 40 different job  
15 assignments associated with these joint venture  
16 programs. COVID 19 obviously restricted a little bit  
17 the growth and advancement of some of these efforts, but  
18 we're starting to pick up some good momentum again with  
19 that.

20 And our most-- our newest program with Gold  
21 Point Homes out of Lancaster, we-- they're primed, ready  
22 to go. And within the next-- well, they're actually  
23 probably ready to go today, just some of their employees  
24 need to go through our new employee orientation program.  
25 So that should happen in the next week or two. And then

1 they'll be up and going full steam down at Lancaster.

2           So, these are the things that I wanted to  
3 share and update you on this morning. Again, very  
4 grateful for the support and the contributions that each  
5 of you make to this board. And I know that we continue  
6 to make huge differences in the lives of the individuals  
7 on whose behalf that we work both during their time  
8 while they're incarcerated and as they transition back  
9 to their community. So, thank you,

10           BOARD SECRETARY MARION: And please let the  
11 record show that Member Felipe Martin, Member Jemahl  
12 Amen, and Member Troy Vaughn have joined the meeting.

13           MR. DAVIDSON: Thank you.

14           CHAIR MACOMBER: Thank you, Mr. Davidson.  
15 Armond?

16           MR. AGHAKHANIAN: Thank you, Mr. Chair. I do  
17 also want to take this opportunity to thank Ms. Kane  
18 and Mr. Davidson. It is amazing how little our elected  
19 officials know about what we do. I know we've done a  
20 really good job in such a short period, but there's a  
21 lot of misunderstanding in terms of what we do. Even  
22 the mix up between federal, state prison, some people  
23 think we're—you know.

24           So, I do want to encourage the Board to  
25 continue, you know, connecting with your members,

1 starting with your own local members, to talk about what  
2 we do. Because the last hearing we went to, and someone  
3 has been doing this for a long time, I was amazed how  
4 the lobbyist was able to just provide the information  
5 that was completely false. And I talked to the person  
6 afterwards and so did one of our Board Members, and I  
7 guess they were trying to find something.

8 But for some of these members from the Senate  
9 Hearing Committee, some of 'em are good friends of mine,  
10 to not really have an understanding about what we do and  
11 talk about how they grew up with, you know, glasses, and  
12 I'm sorry, they were reading talking points straight  
13 from the lobbyists. And I think the more we do and the  
14 more we inform and more we use even local examples.  
15 Even, you know, I use my examples in, you know, having  
16 the largest former incarcerated population in any  
17 community college in the United States, and how these  
18 students really need our help and how we prepare them  
19 when they come out.

20 I think we need to continue to do so because  
21 again, unfortunately we don't have the ability legally  
22 to acquire lobbyists or even write, correct me if I'm  
23 wrong, for the record. So, it is up to all of us to go  
24 out and really talk to our elected officials and some of  
25 the chairs of these committees who, once we approached



1    them, they kind of were like, "Oh, I didn't know." And  
2    we hear the word, "I didn't know," a lot. And I think  
3    we need to change that perspective.

4                But we're doing a great job. The committee is  
5    doing a wonderful job. I really want to see this at  
6    least bimonthly basis where we go and meet with elected  
7    officials. Because there's a new class coming, there's  
8    a new election coming. Some of these members are no  
9    longer going to be-- starting next week, a lot of these  
10   members are not going to be the Chairs of their  
11   committee with a new Speaker coming in two weeks. So, I  
12   think we need to also be prepared to meet with some of  
13   the new Chairs and committee members as well. Thank  
14   you, Mr. General Manager.

15               MR. DAVIDSON: Thank you.

16               MR. JENKINS: Mr. Chair, can I-- may I add a  
17   comment?

18               CHAIR MACOMBER: Absolutely.

19               MR. JENKINS: Okay. I appreciate Board Member  
20   Aghakhanian's comments. And two things actually.  
21   First, relative to the second round of--the second  
22   recidivism study, I understand that you said at some  
23   point we'll be able to review a draft. And I'm curious  
24   if Dr. Turner or someone from UCI will at some point be  
25   present and available for the Board when the final

1 version of that second study is presented. Do you know  
2 that? Are you in a position to know whether or not that  
3 would happen yet?

4 MR. DAVIDSON: That is certainly our intent,  
5 Mr. Jenkins, that when the second report is final and  
6 ready, that yes, that as she did with the first report,  
7 that she'll come and share with the Board. Yes.

8 MR. JENKINS: Okay. Thank you. And I also  
9 want to fully double down on what my colleague just  
10 shared about our ability as Board Members to engage with  
11 members in the legislature. Yeah, that's just really  
12 critically important, having the experience from that,  
13 attending that one meeting. And particularly hearing  
14 how that one particular bill was presented, and the lack  
15 of information that those committee members really did  
16 know about the mission and purpose. Not only mission  
17 and purpose, but impact of the programs that PIA  
18 supports. Because they didn't have the level of  
19 knowledge that I would've wanted them to know.

20 And I won't take up much more of our Board  
21 Meeting time with this, but I do want to share that that  
22 lobbyist contacted me. So, I'd love to, Mr. Chair and  
23 Michele, have an offline conversation with you about a  
24 rather extensive conversation I just had with him. So,  
25 sharing that.

1 DR. AGHAKHANIAN: And also, just to show you  
2 how much work needs to be done. Even at the meetings,  
3 as you may recall, Mr. Jenkins, we weren't even-- were  
4 put as a consent agenda item. We weren't even  
5 considered for a hearing. So we had to go and tell 'em,  
6 "Hey, we send you emails," and they had to run around.

7 So just to show you, you know, how much work  
8 needs to be done to be added on a consent agenda without  
9 even having the opportunity to speak on a topic, which--  
10 thank you, Mr. Jenkins and Ms. Kane. I know we went in  
11 and we were like, "Oh, we want to speak." But again,  
12 just to give you-- these are the basics that we need to,  
13 you know, make sure that these members of these  
14 committees understand.

15 MR. JENKINS: They had no record of an  
16 opposition letter I had submitted. Zero. So, we had --  
17 as being shared, we had to go in and basically-- I had  
18 to have-- I had a hard copy of the letter with me. And  
19 that's one of the reasons we were able to speak. So, I  
20 won't belabor the point,

21 MR. DAVIDSON: Which highlights a flaw and a  
22 weakness that is within that system itself of  
23 submitting--

24 DR. AGHAKHANIAN: Yes.

25 MR. DAVIDSON: --opposition. But again,

1 another--

2 DR. AGHAKHANIAN: Another day, another time.

3 MR. DAVIDSON: --topic of conversation for  
4 another time.

5 DR. AGHAKHANIAN: Thank you,

6 MS. DAVISON: Mr. Chair, this is Dawn Davison.  
7 I have a question for you. If you could go back to your  
8 comments about the joint venture. I did not get the  
9 latest program. What it was that Lancaster, that's  
10 going to be coming up. If you could repeat that.

11 MR. DAVIDSON: Sure. So, the latest program  
12 that we have, it's Gold Point Homes that'll be running  
13 out of Lancaster. And they're pretty much primed and  
14 ready to go. It's a construction business focused on, I  
15 believe tiny homes that they'll be developing.

16 And again, they're pretty much ready to go.  
17 We just need to get their employees through the new  
18 employee orientation program so that they're ready to go  
19 and work inside the institution. But they're in the  
20 process. They have incarcerated workers ready to go,  
21 and it's just a matter of, I mean, possibly even days  
22 before that one goes live.

23 MS. DAVISON: Great. Thank you. I  
24 just didn't hear.

25 MR. DAVIDSON: Sure.

1 MS. DAVISON: Thanks.

2 MR. DAVIDSON: You bet.

3 DR. AGHAKHANIAN: Mr. GM, so for the record,  
4 oh that's enough, why do I keep saying for the record.  
5 I'm sorry. I'm just curious. I know there was some  
6 elected official, one of the legislators, I forgot his  
7 name, that he was pushing really for a law to start  
8 creating these tiny homes. I don't know. I would like  
9 to see where that bill is, because that'd be a great  
10 partnership.

11 He was all over the news last month talking  
12 about, you know, creation of tiny homes to address  
13 homelessness issues. And I don't know if his  
14 legislation passed or not? But if it is possible, I'd  
15 like to look into that. Because that naturally is a  
16 great ally for us to talk about how we can address the  
17 homelessness issues in the state of California.

18 MR. DAVIDSON: Sure. Yeah, we'll look into  
19 that bill. Thank you.

20 DR. AGHAKHANIAN: Thank you.

21 CHAIR MACOMBER: All right. Hearing no  
22 further comments, we'll now move on--

23 MR. MARTIN: Real quick, I-- sorry, I don't  
24 know if you guys can see my hand up. This Felipe  
25 Martin,

1 CHAIR MACOMBER: Go ahead, Felipe.

2 MR. MARTIN: How are you guys doing?

3 CHAIR MACOMBER: Good.

4 MR. MARTIN: Just to reiterate, Mack, Mr.  
5 Jenkins' point, the last time that we had opposition  
6 letters, the same thing occurred where they didn't have  
7 a record of those letters and I had to go up the chain  
8 and get that rectified. Our letters were ultimately  
9 found and ultimately given to the members, but not in  
10 time for them to actually read them. So, it's  
11 disappointing that that process is in place and that it  
12 doesn't work as it should.

13 So, I also wanted to mention that I had an  
14 opportunity to speak to a senator on a flight home from  
15 Orange County. And we were talking about this specific  
16 bill, and he said he had the opportunity to speak to the  
17 new instructor for the dive program and understood how  
18 important PIA is in the rehabilitation process and what  
19 it really takes. And he also understood that bill that  
20 was trying to be passed was really not an appropriate  
21 bill.

22 So even though I did not attend with them, I  
23 was able to speak to some people about the bill. And it  
24 makes a difference when we get some of the inmates and  
25 some of the ex-offenders in front of, you know, some of

1 the legislators to speak in front of them and actually  
2 tell their story. I think that's really impactful, and  
3 I think that's something that we need to figure out how  
4 to invite them in to be a part of it. And my  
5 understanding is that they would be willing to come in  
6 and be a part of something like that.

7 MR. DAVIDSON: Yes, I completely agree, Mr.  
8 Martin. And that's exactly why we had Vera and Kenyatta  
9 come and join us at that Senate sub-five committee. And  
10 Michele and Rusty did a great job sharing their  
11 information, but it was the testimony of those two that  
12 was the most impactful, meaningful part of that whole  
13 hearing. And the senators themselves at that hearing  
14 shared that sentiment as well. And it was a very, very  
15 well received across the Board. And yes, you're  
16 absolutely right. They can tell our story and talk  
17 about our mission better than anybody else.

18 DR. AGHAKHANIAN: Another hand.

19 CHAIR MACOMBER: Thank you, Felipe. I see  
20 Jemahl has this hand raised.

21 MR. AMEN: Yes, please. Good morning,  
22 everyone. This seems like a topic that has sort of  
23 gotten legs and I'm glad to hear that we're kind of  
24 focusing on it. So let me know if I'm belaboring the  
25 point, but if there's a process whereby this board lays

1 out what the legislative strategy is going to be for the  
2 coming year, I'd like to help. I know Armond has a  
3 significant amount of experience with the legislature,  
4 and so I think that could be helpful as well.

5 I would note the best time to start making  
6 inroads with the legislature is not when you need  
7 something, it's well before the beginning of the  
8 session. So, you start laying out all of your concerns.  
9 Obviously, we won't know all of the bills that are  
10 coming ahead of time, but we do know who those committee  
11 members are. We do know who those caucus chairs are.  
12 And so being able to establish visits early on with them  
13 and lay out who we are will bode well in the coming  
14 months thereafter once the bills start hitting all of  
15 these different committees while it goes through the  
16 process. So, happy to help.

17 MR. DAVIDSON: Thank you.

18 DR. AGHAKHANIAN: Sorry, just kind of  
19 concurring my colleagues were talking about. But out of  
20 curiosity, have you ever had an event here where we  
21 invited all the legislators, like an evening kind of a  
22 tour with hors d'oeuvres and some, I don't know, we can  
23 serve wine or something. And I'm waiting for my coffee,  
24 but you know. But I mean, that'd be great if we could  
25 have an open house and we invite all the legislators or



1 some of the key members of-- and say, "Hey, come down  
2 and we'll all come down." And, you know, is that  
3 something we've done before? If not--

4 MR. DAVIDSON: So, the answer to your first  
5 question, not that I know of to have an event here. But  
6 I like the idea and the notion. And again, we can fully  
7 flesh this out in more detail.

8 DR. AGHAKHANIAN: I'd make the cookies if you  
9 want.

10 MR. DAVIDSON: But I think a conversation  
11 about the appropriate location to have that might be  
12 part of that conversation as well. I mean, I think it  
13 would be fantastic to have them out and see our  
14 programs, and to be in the institutions and interact  
15 with our incarcerated workers and have them see  
16 firsthand. Because it's one thing for them to be told  
17 about one thing, completely different if they experience  
18 it firsthand. But again, to your general point here, I  
19 think working on something--

20 DR. AGHAKHANIAN: So is something after they  
21 come back from the break, maybe we plan something ahead.

22 MR. DAVIDSON: Yeah.

23 DR. AGHAKHANIAN: Can send them invites.

24 MR. DAVIDSON: Yep.

25 DR. AGHAKHANIAN: With all the new leadership

1 coming in, we're going to get a new *Pro Tem* too soon.

2 So maybe, you know.

3 MR. DAVIDSON: Yep.

4 DR. AGHAKHANIAN: Okay.

5 CHAIR MACOMBER: We can double check here.

6 All right. Seeing no other hands raised, we'll now move  
7 on to our meeting items. Mr. Davidson, Action Item A,  
8 please.

9 MR. DAVIDSON: Great. So here to present  
10 Action Item A is Nicole Collins, our Assistant General  
11 Manager for Facility Operations.

12 MS. COLLINS: Thank you, Bill. Good morning,  
13 Mr. Chairperson, and members of the Board. As Bill  
14 said, I'm Nicole Collins. I am the Assistant General  
15 Manager of operations for the California Prison Industry  
16 Authority or CalPIA. Today I will be presenting board  
17 Action Item A, covering operational efficiencies. The  
18 Action Item is regarding the crops enterprise closure.  
19 And if you would please turn to action, Action Item A in  
20 your folder. You can follow along if you'd like.

21 The crops enterprise has a presence at  
22 California State Prison Corcoran, or CSP Corcoran, Wasco  
23 State Prison, WSP, Central California Women's Facility,  
24 CCWF, and Valley State Prison, or VSP. This acreage at  
25 these locations is used for two primary purposes. It's

1 for almond production and growing livestock crops such  
2 as alfalfa and corn.

3 CalPIA does not set the price for which hay or  
4 almonds are sold. The cost to produce these items is  
5 not considered when sales price is set. Almonds are  
6 sold on a collective market, and the price CalPIA  
7 receives is based on the volume received at the market.  
8 CalPIA's need for livestock crops was eliminated with  
9 the sales of the dairy herd. CalPIA must now place hay  
10 up for bid when they are ready to harvest and accept the  
11 best price.

12 The crops enterprise has not been profitable  
13 for the past several years. The average loss for the  
14 past three years was approximately \$600,000 annually.  
15 The estimated savings after fiscal year '23-'24 ongoing  
16 will be approximately \$750,000. And that's based on the  
17 reduction in expenses of 1.7 million, and reduction in  
18 annual revenue of 960,000.

19 There would be an impact to staff at CSP  
20 Corcoran and CCWF. The staff assigned to CSP Corcoran  
21 and CCCWF are responsible for crops at WSP and VSP as  
22 well. The total staff would decrease by five civil  
23 service positions and 45 incarcerated individual  
24 assignments.

25 As of June 13th, 2023, all five civil service

1 staff positions are filled, and no incarcerated work  
2 assignments are filled. The crops enterprise closure  
3 for Corcoran will be completed by December of 2023. The  
4 CCWF crops enterprise closure will take approximately  
5 one year to be completed.

6           During this time, we will work with our human  
7 resources and the interactive process to ensure all  
8 impacted staff are offered all available opportunities  
9 for employment within CalPIA. Our goal is to have all  
10 impacted staff maintain continuous employment as we have  
11 done with any other program closure. Historically, we  
12 have maintained all staff who have wanted to take  
13 advantage of those opportunities with CALPIA.

14           Almond prices have been declining, declining  
15 since 2015. This has been exacerbated by a US supply  
16 disruption when almonds were reduced as an export to  
17 Asian markets. Almond pricing was further disrupted  
18 during global supply chain issues associated with the  
19 recent pandemic. Almond prices have not improved to  
20 support the increases in costs for fuel and other  
21 farming supplies.

22           The crops enterprise has worked diligently to  
23 implement process improvements and efficiencies to  
24 reduce operating costs. While some improvements have  
25 been made, it is evident that the crops enterprise will

1 not be profitable in the near future. Although we  
2 cannot officially move forward with next steps, we have  
3 had preliminary conversations with the Department of  
4 General Services, DGS, and California Department of  
5 Corrections and Rehabilitation, CDCR.

6 As good stewards of the state, we discussed  
7 options, such as leasing the land to private businesses.  
8 This option has been used in the past and is a viable  
9 option moving forward. If the crops closure is  
10 approved, we will work closely with DGS and CDCR to  
11 ensure a smooth transition of this land back to them.  
12 Based on the operational gains achieved, and mitigation  
13 to staffing impacts, we request your approval for the  
14 crops enterprise closure to begin July 1st, 2023, and be  
15 completed by June 30th, 2024. I'd like to thank you all  
16 for your time.

17 CHAIR MACOMBER: Thank you. Do we have any  
18 comments from the Board Members regarding Action Item A?

19 DR. AGHAKHANIAN: Well, out of curiosity, so  
20 you gave some of the reasons, and is there also-- there  
21 was a big push for al-- because everyone wants almond  
22 milk and everything. Is that also, is the market also  
23 saturated because of that or has it declined?

24 MS. COLLINS: No, the market is still pretty  
25 saturated. I mean, right now I can tell you we have

1     about six months of almonds sitting in market that have  
2     yet to be sold.

3             DR. AGHAKHANIAN: Right. Thank you.

4             MS. COLLINS: You're welcome.

5             CHAIR MACOMBER: Troy?

6             MR. VAUGHN: Yeah, I know we only were able to  
7     fill one of the in-custody positions. Would they be  
8     prioritized as placements once other opportunities open  
9     up?

10            MS. COLLINS: As of right now, Troy, none of  
11     the incarcerated individual positions are filled. When  
12     we wrote the Action Item, one position was filled, and  
13     that position has since vacated. So, there will be, at  
14     this time, no impact to the incarcerated individuals.  
15     No additional positions are planned to be filled.

16            MR. DAVIDSON: And if I could just add to  
17     that, while we had 45 incarcerated work assignments  
18     associated with the crops enterprise, that was a highly,  
19     highly inflated number. We were never going to come  
20     anywhere close. There's just not that opportunity for  
21     45 incarcerated individuals to work in that program.  
22     And we'll talk a little bit more about that in a minute,  
23     but that 45 number was highly, highly inflated. I think  
24     we had a peak of about five incarcerated workers in the  
25     program. And that was—

1 MR. VAUGHN: Oh, I see.

2 MR. DAVIDSON: --probably as high as it ever  
3 would've gotten.

4 MR. VAUGHN: Oh, I see. So basically, there's  
5 no impact to the incarcerated individuals right now  
6 because we didn't have the--

7 MR. DAVIDSON: Correct.

8 MR. VAUGHN: --we didn't have it staffed to  
9 this level.

10 MR. DAVIDSON: Correct. Currently there is  
11 nobody in the program, incarcerated workers.

12 MR. VAUGHN: Okay, that's clear. It just  
13 reads it a little-- it makes it looks like we weren't  
14 able to find opportunity for them.

15 MR. DAVIDSON: Yeah.

16 MR. VAUGHN: But there's no-- this number  
17 isn't real?

18 MR. DAVIDSON: Yeah, the crops enterprise, I  
19 mean, to just to be candid and boil it down, we don't  
20 make money on crops and we're not going to be in a  
21 position to make crops anytime soon.

22 MR. VAUGHN: Got it.

23 MR. DAVIDSON: We do-- it does not provide a  
24 good job training program for incarcerated workers. And  
25 those are the two key areas that we need to be

1 successful at. And we can't, there's not really a path  
2 forward for us to be effective in either of those two  
3 areas. So--

4 DR. AGHAKHANIAN: Unless we grow a different  
5 crop. Right?

6 (Laughter)

7 Mr. VAUGHN: No, I get it. No, I get it. I  
8 just think that we should be clear in the documentation  
9 for the minutes--

10 MR. DAVIDSON: Yeah.

11 DR. AGHAKHANIAN: That's a lot of blame.

12 MR. VAUGHN: --in terms of the numbers that  
13 we're presenting here.

14 MR. DAVIDSON: Yeah.

15 MR. VAUGHN: I just think that if we are  
16 presenting these numbers and they're not accurate, we  
17 have an opportunity to clear it up now as we record it.

18 MR. DAVIDSON: Yeah. Well, the 45 is an  
19 accurate number as far as work assignments. Those are  
20 the number of assignments that were identified. But the  
21 reality is, is that we were never going to be able to  
22 fill those. And--

23 MR. VAUGHN: I see, I see. So, we had the  
24 assignments but nobody was in 'em?

25 MR. DAVIDSON: Correct. Correct.



1 MR. VAUGHN: Okay.

2 CHAIR MACOMBER: And before we jump to Felipe,  
3 just to follow up to Troy's question, do we have any  
4 other enterprises where we think the numbers might be  
5 inflated? And part of the reason I asked is because the  
6 optics for us is CDCR you need to do a better job of  
7 filling, you know, PIA assignments, that will lower the  
8 recidivism rate. And so, it's a mutual benefit to make  
9 sure we have right-sized the numbers.

10 MR. DAVIDSON: Correctly. And in the next  
11 Action Item on the annual plan, that's part of the  
12 annual plan.

13 CHAIR MACOMBER: Okay.

14 MR. DAVIDSON: And if it's okay, I'll address  
15 that in more specifics.

16 CHAIR MACOMBER: Great.

17 MR. VAUGHN: Okay, yeah. Cause that was my  
18 next question. Thank you, Secretary.

19 CHAIR MACOMBER: Sorry. Sorry, I thought you  
20 were done. Didn't mean to jump in.

21 MR. VAUGHN: No, no, no. I'm just saying  
22 thank you. That was my next question. I just want to  
23 make sure that we don't overinflate assignment  
24 opportunities and then, you know, we misrepresent  
25 ourselves--

1

2 MR. DAVIDSON: Yes.

3 MR. VAUGHN: -- when we do that.

4 MR. DAVIDSON: Yeah. And the answer to your  
5 question is, yes, we looked at that. And you'll see  
6 there's a reduction of 758 work assignments for the  
7 coming year compared to where we are today.

8 MR. VAUGHN: Perfect. Thank you,

9 CHAIR MACOMBER: Felipe?

10 MR. MARTIN: So, as you know, this has been a  
11 topic of discussion for me and something that I've  
12 wanted to see for a while to kind of-- for us do  
13 something. So, to Mr. Vaughn's point, I totally  
14 understand what he's saying. And I think we should  
15 modify even the writeup to say that there's only one--  
16 or there's no inmates assigned, although there were 45  
17 positions available. I understand the 45 was the number  
18 you had. But nonetheless, we need to say that there's  
19 no impact, no inmate-- or no incarcerated individual  
20 impact due to it, as there were none assigned. So that  
21 way it's clear.

22 As far as what's been done to try and get  
23 private industry to take these over, has that been-- has  
24 anyone been reached out to? Or is this just going to be  
25 added back to DGS or corrections and they're going to

1 manage that segment of it? And we're just-- I'm trying  
2 to understand what our transition point or transition  
3 process is out of it.

4 MR. DAVIDSON: So, the initial conversations  
5 took place between CDCR and DGS. We could not get too  
6 far out ahead of conversations until we have the  
7 approval to formally close down the crops enterprise.  
8 Assuming that that is approved today, we will re-engage  
9 in those conversations and be reaching out to-- again,  
10 first to have a plan with the state. What are we going  
11 to do with that property? Presumably being able to  
12 lease it out to private growers and then begin that  
13 effort of reaching out to identify who those potential  
14 growers would be. But we couldn't get too far out ahead  
15 of that before the Board approved this action.

16 MR. MARTIN: Okay. So, the year process is  
17 really to try and transition those crops into wherever  
18 they end up going. As far as restaffing or relocating  
19 the staff being as we really weren't doing too much with  
20 it, how long is the restaffing process really going to  
21 take? Is it a year's process or is it pretty quick  
22 process?

23 MR. DAVIDSON: That would be a pretty quick  
24 process. It is just, again, identifying vacant  
25 positions that those staff could transition into. But

1 again, that would not be a year-long process.

2 MR. VAUGHN: Okay. Thank you.

3 CHAIR MACOMBER: Looks like Jemahl has his  
4 hand up.

5 MR. AMEN: Yeah. Just a follow up to the  
6 previous inquiry. I understand that we're still in the  
7 process of handing the land back to DGS and I'm familiar  
8 with the DGS process, obviously. But I wonder if  
9 there's an opportunity to at least retain access to that  
10 land or whoever is leasing it?

11 I know that for the facilities management  
12 division, we're always looking at seeing if we can train  
13 more people in maintenance mechanical stuff. And so,  
14 the engines that are in those tractors, the engines that  
15 are in any of those equipment or machinery, that  
16 skillset is translatable to buildings as well as  
17 mechanics. And so, I know we're not close now, but is  
18 there-- I'd like to explore an opportunity to kind of  
19 see if there are incarcerated individuals who'd be  
20 interested in getting trained to keep up that machinery.  
21 Because that's tagged machinery is also-- that's just  
22 good experience all the way around. Just putting that  
23 up in there.

24 MS. COLLINS: Yeah. So Jemahl, I'll speak to  
25 that just a little bit. Most of our institutions have a

1 maintenance and repair program already. So, we are able  
2 to fill incarcerated assignments in those areas, and  
3 they are gaining some of that maintenance and repair  
4 experience that you spoke of. So, if there's any of  
5 that equipment can, that can be retained at those  
6 facility and utilized for other enterprises, that  
7 equipment would be going to those maintenance and repair  
8 folks for some of that training opportunity that you  
9 kind of just spoke to.

10 MR. AMEN: Gotcha. I noticed that one of the  
11 nearby prisons was the women's prison. Are those  
12 maintenance programs accessible for our women inmates as  
13 well?

14 MS. COLLINS: Yeah. Maintenance and repair  
15 programs are at--

16 MR. AMEN: Across the board?

17 MS. COLLINS: Yeah, it's not specific to male  
18 or female. It's across the Board.

19 CHAIR MACOMBER: All right, Dawn, sorry I  
20 missed you before.

21 MS. DAVISON: That's okay, Jeff. I'm just  
22 waiting patiently. No problem.

23 CHAIR MACOMBER: Your hand blended into your  
24 picture background on me.

25 MS. DAVISON: My first comment is, so this

1 means we're not going to get my favorite almonds

2 anymore? Is that what this means? If we vote yes?

3 MR. DAVIDSON: If we continue Dawn, you will.

4 But they will be the most expensive preferred almonds

5 possible.

6 DR. AGHAKHANIAN: We have six months reserves.

7 We can feed you for next 10 years. Don't worry about

8 it.

9 CHAIR MACOMBER: Yeah.

10 MS. DAVISON: I just had to get the plug in.

11 My question has to do, again, with the staff, and Felipe

12 brought it up. But does it appear that there are

13 openings at the nearby institution so that these folks

14 don't have to move?

15 MS. COLLINS: Yes, Dawn.

16 MS. DAVISON: Okay.

17 MS. COLLINS: We have identified positions

18 right now where we could absorb, I think all five.

19 There's one that's going to take us a little bit longer,

20 but we do have similar classifications in close

21 proximity, so people would not have to relocate unless

22 they chose to.

23 MR. DAVIDSON: And our plan will be, once

24 approved, to move in this direction as we've done with

25 other closures and deactivations. We will ideally next

1 week, along with Debi Kamakani and the HR team, go down  
2 to those institutions and meet with those staff and  
3 begin that effort of working directly one on one with  
4 those individuals to work through that process.

5 MS. DAVISON: Great. Thank you.

6 DR. AGHAKHANIAN: Before I make a motion, I  
7 have one last comment. Now, when it comes to the  
8 leasing of the land, do we have the power to negotiate,  
9 or is it a set price by the state that we have to  
10 follow?

11 MR. DAVIDSON: So, I don't know that I know  
12 the answer to that question. But what I will say is it  
13 won't be a PIA--

14 DR. AGHAKHANIAN: Oh, okay.

15 MR. DAVISON: -- issue necessarily. Because  
16 to lease the land, that is outside of the scope of our  
17 mission and what we do. So that would really become a  
18 DGS, CDCR--

19 DR. AGHAKHANIAN: Got it.

20 MR. DAVIDSON: --issue.

21 DR. AGHAKHANIAN: All right. Mr. Chair?

22 CHAIR MACOMBER: Before we do the motion,  
23 we've got to go do public comment first.

24 DR. AGHAKHANIAN: Oh, I'm sorry.

25 CHAIR MACOMBER: Hold off one second. No

1 further comments from the Board? No hands I'm missing  
2 again? All right.

3 As a reminder, if any member of the public  
4 would like to make a comment regarding this item, please  
5 have a speaker request form filled out and then come  
6 forward and state your name and affiliation. For any  
7 member of the public who is in virtual attendance,  
8 please ensure that you have dialed into the meeting  
9 using the number 1-669-900-6833, and then dial star-nine  
10 to raise your hand to speak. Our meeting organizer will  
11 place you in order, and we'll call out your name or the  
12 last four digits of your phone number. When it is your  
13 time to speak, please state your name and affiliation so  
14 that we can make a note in our records. Each speaker  
15 will be limited to two minutes for public comment. Do  
16 we have any public comments today?

17 Is there a motion to approve Action Item A?

18 DR. AGHAKHANIAN: So, moved.

19 MR. QUANT: Second.

20 CHAIR MACOMBER: Second. Board secretary,  
21 please?

22 BOARD SECRETARY MARION: All right. So,  
23 record of vote. Member Aghakhanian?

24 DR. AGHAKHANIAN: Aye.

25 BOARD SECRETARY MARION: Member Amen?



1 Member Jemahl Amen?

2 MR. AMEN: Aye.

3 BOARD SECRETARY MARION: Member Davison?

4 MS. DAVISON: Aye.

5 BOARD SECRETARY MARION: Member Jenkins?

6 MR. JENKINS: Aye.

7 SECRETARY MARION: Member Lopez.

8 MR. LOPEZ: Aye.

9 BOARD SECRETARY MARION: Member Martin?

10 MR. MARTIN: Yes.

11 BOARD SECRETARY MARION: Member Patterson.

12 MR. PATTERSON: Aye.

13 BOARD SECRETARY MARION: Member Quant.

14 MR. QUANT: Aye.

15 BOARD SECRETARY MARION: Member Vaughn.

16 MR. VAUGHN: Aye.

17 BOARD SECRETARY MARION: Vice Chair Singh?

18 Okay, abstain. And Chair Macomber?

19 CHAIR MACOMBER: Aye. Alright.

20 MR. VAUGHN: I don't think Vice Chair Singh

21 can get off mute. But I think-- give a thumbs up Mr.

22 Singh. Thumbs up.

23 MR. DAVIDSON: He's saying yes.

24 BOARD SECRETARY MARION: Okay, so the motion

25 passes 11 to 11.

1 CHAIR MACOMBER: Thank you,

2 DR. AGHAKHANIAN: Chair Macomber, before we  
3 move to the next item, I know we're going into the in-  
4 depth fiscal year plan. I know we have our legal  
5 counsel here. I have a question. There has been, when  
6 it comes to Brown Act rules, I know that since COVID is  
7 gone, now the state law requires that all meetings  
8 should be in person. And I want to know where we fall  
9 on this category. Because my other boards, we no longer  
10 can do Zoom meetings unless the person is sick or  
11 they're away. Can we look into that if that rule  
12 applies to us as well or no?

13 CHAIR MACOMBER: Yes, of course.

14 MR. DAVIDSON: And I can tell you unless, and  
15 I believe that there is proposed legislation out there  
16 to continue as we are today. Absent that legislation  
17 passing and being enacted as of July 1st, if nothing  
18 changes, these meetings will have to be in person.

19 DR. AGHAKHANIAN: Alright.

20 MR. DAVIDSON: So, it's the July 1st effective  
21 date on that.

22 CHAIR MACOMBER: That's my understanding as  
23 well, that there's a potential legislative fix that we  
24 should know about shortly.

25 MR. QUANT: Yeah. There's also a--

1 negotiations with the legislature as part of the budget  
2 process to do a short-term fix that would kind of get us  
3 over the hump until the legislation's been passed.

4 MR. DAVIDSON: Would not be surprising to see  
5 that.

6 MR. JENKINS: If I can add to that, the other  
7 board that I sit on, we have already been advised to  
8 that end.

9 MR. DAVIDSON: Yep.

10 MR. JENKINS: That the meeting-- we have to  
11 have a meeting scheduled on July 14th for CCJBH, and we  
12 have been advised that it would be in person, absent  
13 other reasons that we couldn't appear. But just sharing  
14 that was a communication we received.

15 MR. DAVIDSON: Yep.

16 DR. AGHAKHANIAN: Thank you.

17 CHAIR MACOMBER: All right, we will move on to  
18 Action Item B. Mr. Davidson?

19 MR. DAVIDSON: Great. So here to join me in  
20 presenting Action Item B is Natalie McCorkle, our Chief  
21 Financial Officer. And I know we introduced Natalie a  
22 year ago at this meeting and she was home recovering  
23 from COVID at the time, but glad that she's healthy and  
24 here with us today. But as we get into the presentation  
25 of the annual plan, I do want to just share that we did

1 have the opportunity to meet with our Audit and Finance  
2 Subcommittee and go over and review not just the booklet  
3 here, but some more detailed information. I know that  
4 Mr. Martin, a member of that subcommittee, was not able  
5 to join us for a very good reason. He was traveling out  
6 of the country at the time and not able to join, but we  
7 were able to meet with Mr. Vaughn and Mr. Singh and go  
8 through the information in detail and had a good  
9 discussion. So, I want to thank them for that time and  
10 that discussion.

11           And before we get into some of the details on  
12 the annual plan, just some of the high-level information  
13 on our fiscal year '23-'24 annual plan. We have total  
14 projected revenues of 258 and a half million dollars,  
15 total projected or proposed cost of goods sold of \$202  
16 million, which leaves a projected gross profit of \$56.5  
17 million. And then within that, we have selling and  
18 administrative costs of just over \$29 million, offender  
19 development program costs of \$4.7 million, distribution  
20 and transportation costs of about \$16.5. And I know  
21 this is a small note, but I think part of what we should  
22 be presenting, our out-of-state travel costs are  
23 proposed at \$140,000. And that is contingent upon  
24 Senate Bill 447 passing and being enacted, and that is  
25 the bill by the Senate Pro Tem, Senator Atkins, to

1   repeal the ban of traveling to certain states.  If that  
2   bill does not pass, then our out-of-state travel would  
3   be reduced to \$102,000 and then all of that would leave  
4   us a remaining operating income or a net profit of \$3.8  
5   million.

6           And again, before getting into again some of  
7   the details in these areas, I do want to mention that we  
8   continue to closely monitor the movement of Senate Bill  
9   340 through the legislative process.  And if this bill  
10  were to pass and be signed by the governor, similar to  
11  Senate Bill 1089 last year, it would have a negative  
12  impact on the optical enterprise.  In developing the  
13  budget as we did last year, we built it assuming that  
14  the bill does not pass.  And Michele Kane will give a  
15  little more detailed update on the status of the bill in  
16  a few minutes.

17           But if the bill is ultimately passed, I  
18  propose that we provide an update at the October Board  
19  Meeting on any changes needed to our budget as a result.  
20  I don't believe that there would be significant impacts  
21  in the current year as it would not be effective until  
22  midway through the year, and the real impact would occur  
23  starting the fiscal year '24-'25.  And I'll also talk a  
24  little more about the possible impact of this bill when  
25  we go over the designation of cash in our request for

1 approval of capital items in a few minutes.

2 I also want to note that the annual plan  
3 builds in an anticipated across the Board general salary  
4 increase effective July 1st. Now, we don't know exactly  
5 what increases, if any, will be there, as agreements for  
6 new contracts haven't been reached yet with the union.  
7 But for planning purposes, we felt we had to build  
8 something in. So, the three percent increase is what's  
9 built into our budget. And if the final contracts  
10 result in salary increases that are higher than this or  
11 lower, we will provide an update as part of the mid-year  
12 revise process.

13 Now getting into revenues, again, we project  
14 \$258.5 million in revenues for the coming fiscal year.  
15 And this is \$8.5 million higher than what we planned for  
16 the current year. Our revenue forecast is based on a  
17 projected incarcerated population of 95,000 for the  
18 year, which is 5,000 less than what we had planned for  
19 our current fiscal year.

20 And we do project several enterprises to see  
21 increased revenue. Specifically, we see a little over  
22 three and a half million dollar increase for modular  
23 construction. This is a good thing for us, and I know  
24 we talked a little bit about the tiny homes a minute  
25 ago, but we haven't had significant revenue for this

1 enterprise in some time.

2 But we will be constructing three 1,440 square  
3 foot classroom buildings for CSP Sacramento inside the  
4 secured perimeters of facilities A, B, and C. The new  
5 classroom buildings will include adequate restrooms,  
6 administrative space, required fire suppression systems,  
7 utility closets, and all other support utilities. The  
8 final purchase order for these buildings was approved,  
9 signed and provided to us last week, and we expect to  
10 start construction on the classroom buildings next month  
11 with a planned completion date by the end of the fiscal  
12 year. So, we're very excited about that.

13 We are also projecting a \$2 million increase  
14 in furniture, about 1.9 million increase in HFM, a \$1.7  
15 million increase in mattresses, and this is primarily  
16 the result of CDCRs purchase of the three-inch foam core  
17 mattresses I talked about earlier for four institutions  
18 at CHCF, CCWF, RJ Donovan, and San Quentin. We're also  
19 projecting about a \$1.4 million increase in food and  
20 beverage, a million dollar increase in general  
21 fabrication, \$800,000 increase in laundry and about a  
22 half a million increase in metal.

23 Conversely, we do expect a few enterprises to  
24 go down some in revenue in the coming year.  
25 Specifically, we're projecting about a \$1.4 million

1 decrease in dairy, and a million dollar decrease in  
2 fabrics. And those are both due to simply to the  
3 reduced population. We also are projecting about a  
4 million dollar decrease in license plates, and that's  
5 again, due to projected decline in the sale of new  
6 vehicles and to be more in line with what we have seen  
7 this current fiscal year. And similarly, a million  
8 dollar decrease in optical, just to bring that  
9 projection more in line with actuals that we've seen  
10 this current year.

11           On the cost of goods sold side, we're  
12 budgeting a total of \$202 million. As I mentioned  
13 earlier, the primary factor impacting cost of goods sold  
14 is the anticipated across the board general salary  
15 increase that we expect to be effective July 1st. The  
16 annual plan also includes full year costs for the 75 new  
17 positions that were previously approved for the HFM  
18 program. And if salaries for our custodians come in  
19 higher than what we built in our projected 3 percent  
20 increase, which we are very hopeful that they will, the  
21 increased costs will be accounted for and addressed  
22 through the contract that we have with the California  
23 Correctional Healthcare Services.

24           And as Nicole just discussed in the prior  
25 Action Item, the annual plan includes the takedown of



1 the crops enterprise. We do anticipate to start seeing  
2 a savings in the coming fiscal year, but the following  
3 year, fiscal year '24-'25 and thereafter is when we'll  
4 see the full significant savings of the \$750,000 a year  
5 that Nicole talked about.

6 So, the proposed expenditures for cost of  
7 goods sold represent about 78 percent of our projected  
8 revenues. We're also budgeting a total of about little  
9 over \$29 million in selling and administration costs,  
10 which really are central office costs. And that  
11 includes administration, fiscal services, information  
12 technology, sales and marketing, legal affairs, external  
13 affairs, and executive management.

14 We continue to focus on ensuring that our  
15 selling and administrative costs are reasonable in terms  
16 of the size and scale of our operations. As part of  
17 this annual plan, we are eliminating 11 positions at our  
18 central office that will result in an ongoing savings of  
19 approximately \$1.1 million a year. The 11 positions  
20 being eliminated are currently vacant, so there will not  
21 be any layoffs or other negative impacts to our current  
22 staff.

23 The selling and administrative costs that we  
24 are proposing in this budget can constitute about 11.3  
25 percent of our revenues earned. We are also proposing a

1 budget of slightly more than \$16 million to cover  
2 distribution and transportation costs, which make up  
3 about 6.5 percent of our projected revenue.

4           The '23-'24 annual plan also includes the  
5 consolidation of three career technical education  
6 programs and the takedown of a fourth, in addition to  
7 the programs that were closed in conjunction with the  
8 deactivation of the Folsom Women's Facility. The three  
9 proposed programs to be consolidated are carpentry at  
10 Folsom State Prison and CIW, which are to be  
11 consolidated with the labor programs at those respective  
12 institutions, and the labor program at CCWF to be  
13 consolidated with its carpentry program. And we're also  
14 proposing taking down the labor program at CIM.

15           And to provide some context on the reason for  
16 this proposal -- in 2015, CalPIA began receiving \$2.6  
17 million in reimbursement from CDCR to operate CTE  
18 programs. This funding is permanent and ongoing and  
19 remains in CDCR's budget. Three years ago, CDCR began  
20 adding an additional million and a half dollars in  
21 funding for CTE programs. So that brought CDCR's total  
22 funding for us to \$4.1 million. However, CDCR was not  
23 appropriated funding for this additional amount, this  
24 additional \$1.5 million, and they've been paying it  
25 through internal redirection and holding positions

1   vacant. CDCR has indicated that they're not going to  
2   continue to provide this additional \$1.5 million going  
3   forward.

4           The total cost for the CTE programs that  
5   CalPIA has been operating has been \$6.7 million. So, in  
6   addition to the 4.1 million being reimbursed by CDCR,  
7   CalPIA has been funding the balance of 2.6 million to  
8   operate all of our CTE programs. So, we simply cannot  
9   afford to absorb the million and a half that CDCR will  
10  no longer be funding.

11           The deactivation of the Folsom Women's  
12  Facility brought about the closure of the five CTE  
13  programs within that facility. However, the savings  
14  associated with these five programs does not cover the  
15  \$1.5 million needed.

16           So, we conducted an analysis looking at  
17  several factors. Primarily what has been the level of  
18  enrollment in the remaining programs, and do we or CDCR  
19  offer a similar program in the same institution. This  
20  is how we identified these four programs. Each of the  
21  programs has 20 available positions, and as of the end  
22  of April, there were a cumulative total of 14  
23  individuals filling the total of 80 open positions. Two  
24  at Folsom carpentry, zero at CIW carpentry, eight at CIM  
25  Labor and four at CCWF labor.

1           And in addition, with the closure of the  
2   carpentry programs at both CIW and FSP, there will still  
3   be a labor program available at each institution in  
4   which the men and women in the carpentry programs can  
5   enroll. And likewise, at CCWF the carpentry program  
6   will still remain in which those in the labor program  
7   may enroll. So, the opportunity for CTE programming by  
8   CalPIA in the construction fields will still be there.  
9   And this consolidation will help increase enrollment in  
10  those programs that remain.

11           The combined savings of these four programs is  
12  just over \$750,000 a year combined with reduction in  
13  cost associated with the FWF deactivation, CalPIA will  
14  be able to operate its remaining CTE programs with the  
15  \$2.6 million reimbursed by CDCR and an additional \$2.4  
16  million from our own resources, which is in line with  
17  what we've been paying for CTE programs the past several  
18  years.

19           So, the net result of our budget development  
20  is an overall net profit of a little more than \$3.8  
21  million or a 1.6 percent net profit. We do believe that  
22  the 3.8 million net gain is a prudent profit amount for  
23  this coming year. As you will see in the upcoming  
24  presentation on the designation of cash, the proposed  
25  budget combined with our proposed capital expenditures

1 will leave us with net cash on hand at the end of next  
2 fiscal year of just about \$37 million, which is right in  
3 the area where we want to be. Not too much cash on hand  
4 to call into question the prices that we charge for our  
5 goods and services and making a target to sweep some of  
6 the balance of the general fund, but also not too low  
7 that our cash liquidity becomes compromised.

8           And then finally, as we spoke about a minute  
9 ago, we are budgeting a total of 5,744 incarcerated  
10 individual work assignments for the coming fiscal year,  
11 which is a reduction, as I said a minute ago, of 758  
12 work assignments. We looked closely at our enterprises  
13 and programs and identified what a truly reasonable and  
14 realistic number of assignments should be based on  
15 expected production and customer needs.

16           Our goal will always be to provide the  
17 greatest number of incarcerated worker positions as  
18 possible. Of course, that's why we exist. However, as  
19 the table and the Action Item clearly reflects, CalPIA  
20 has had a higher than needed number of work assignments  
21 for many years. When we routinely are only able to fill  
22 an average of 70 percent of these positions while making  
23 every effort possible to fill them all, we felt it  
24 necessary to be more realistic and reasonable in setting  
25 our budgeted number of assignments.

1           The numbers identified in the annual plan also  
2 take into account changes due to closures and  
3 deactivations as well as a reduced incarcerated  
4 population. And as we continue to recover from the  
5 effects of the pandemic, we are seeing increased numbers  
6 of assignments to our programs and expect to see that  
7 trend to continue. And just for some perspective, in  
8 fiscal year '21-'22, the worst of the pandemic years for  
9 us, we saw a fill rate of just under 64 percent, which  
10 meant that 36 percent of our incarcerated work  
11 assignments were not filled. This number has increased  
12 to 73 percent currently, and we look forward to  
13 continued collaboration with our partners at the  
14 institutions to see it continue to go up. So, this is  
15 an overview of the proposed '23-'24 annual plan and ask  
16 for your approval of the plan.

17           MR. VAUGHN: Just what-- I said this already  
18 in our Finance Committee and it bears saying again, I'm  
19 impressed by your staff and your due diligence to keep  
20 us in a position of liquidity, but also fiscal  
21 practices. I do have one point of clarity. Just you  
22 said 75 for the COGS area. I was under the impression  
23 it was 72. Is it now 75, in terms of additional  
24 supervisors? Because you said a moment ago it was 75.

25           MR. DAVIDSON: So, it's 72 custodial

1 supervisors. And then in that same package there were  
2 three additional support staff. There were--

3 MR. VAUGHN: I see.

4 MR. DAVIDSON: --three additional support  
5 staff.

6 MR. VAUGHN: I see, okay.

7 MR. DAVIDSON: So, the 72 is a correct number,  
8 but that was the custodial supervisor positions, and  
9 then three additional support staff--

10 MR. VAUGHN: Okay.

11 MR. DAVIDSON: -- making a total of 75.

12 MR. VAUGHN: Alright, thank you for the  
13 clarity on that.

14 MR. DAVIDSON: You bet.

15 MR. VAUGHN: I have no other further  
16 questions. Thank you.

17 MR. DAVIDSON: Thank you.

18 CHAIR MACOMBER: Kyle?

19 MR. PATTERSON: Yes. Hey good morning,  
20 everyone. So, I have a question regarding the modular  
21 facility that's going to be going on over at CSP  
22 Sacramento, if I'm correct? The 3.6 mill.

23 MR. DAVIDSON: Yep.

24 MR. PATTERSON: So, we're going to be doing  
25 that in-house, that'll be CalPIA spearhead that, the

1 actual building process as well?

2 MR. DAVIDSON: That is correct. So, we have a  
3 modular building program that runs at Folsom Prison.  
4 It's actually right outside the secured perimeter there.  
5 But that-- it's a large construction facility warehouse  
6 that we will do that construction up there.

7 MR. PATTERSON: Oh, okay. I see. So maybe  
8 this is something I would probably want to speak to you  
9 all about offline just regarding, we also specialize,  
10 the carpenters, in the prefabrication of these modular  
11 unit. And so, we were actually looking for a facility  
12 to put something together like that to where we can  
13 produce them. Cause right now, that's which way the  
14 industry is going, we're seeing a lot of that. There's  
15 a trend. And maybe this could be something that outside  
16 agencies can probably take a look at. This is a  
17 consideration.

18 MR. DAVIDSON: Yeah, we'd love to have a  
19 further conversation with you on that. That would be  
20 great.

21 MR. PATTERSON: Well, how much are the  
22 participants making per hour for something like this to  
23 put that together?

24 MR. DAVIDSON: So, the incarcerated workers,  
25 that would follow what our PIA a pay scale is. And



1 again, I don't have that in front of me now, but it  
2 would be whatever the normal PIA pay scale is and  
3 depending on where they are within that scale.

4 MR. PATTERSON: I see, I see. And so, have we  
5 done this in the past?

6 MR. DAVIDSON: Yes--

7 MR. PATTERSON: Producing these type of units  
8 for the public?

9 MR. DAVIDSON: Yes, we have. And next time  
10 you're up in Folsom, Kyle, we can show you some  
11 examples. I mean we have some at central office that  
12 have been built in-house. Our new MIS building was  
13 built in house. And so again, we can take you and show  
14 you around that and love to take you up and actually  
15 show you the space in the area where we operate the  
16 modular program up there at Folsom

17 MR. PATTERSON: And this is the carpentry? I  
18 would like that right there. And is the carpentry  
19 program there will be the ones putting all this  
20 together?

21 MR. DAVIDSON: Correct. So, we have a  
22 carpentry and a laborer program, and we'll be  
23 consolidating those two programs. Correct.

24 MR. PATTERSON: I see. Okay. Thank you.

25 MR. DAVIDSON: You bet.

1           CHAIR MACOMBER: Thanks, Kyle. Dawn?

2           MS. DAVISON: Yes, thank you. Jeff. I guess  
3 this question is for you. I was just wondering why CDCR  
4 is not going to fund that \$1.5 this year when according  
5 to the recidivism report, our programs do a better job  
6 of not having incarcerated people come back. So, I was  
7 just wondering why.

8           CHAIR MACOMBER: Well, I think it's, on our  
9 side, it's a matter of we don't have formal budget  
10 authority to move that money over. It was a decision  
11 made years ago. And it's also based, as Bill had said,  
12 on perceived salary savings that we know we know will  
13 not be long term. And so, this was something I asked my  
14 folks and our rehabilitative programs to work with PIA  
15 on. So, it's basically to align my budget to where it  
16 should be.

17          MS. DAVISON: So, it was always something  
18 extra that you were-- the CDCR was throwing in?

19          CHAIR MACOMBER: That's correct.

20          MS. DAVISON: Okay, thank you. Thank you for  
21 that. And the second question that I have, Bill -- I  
22 understand that the women's prisons, the one-- labor is  
23 going to carpentry and carpentry is going to labor. Is  
24 that correct?

25          MR. DAVIDSON: Correct.

1 MS. DAVISON: Okay. Is-- carpentry has  
2 apprenticeship. Does labor?

3 MR. DAVIDSON: Yes.

4 MS. DAVISON: Labor have program?

5 MR. DAVIDSON: They both do.

6 MS. DAVISON: So, they both will come out with  
7 apprenticeships?

8 MR. DAVISON: Correct.

9 MS. DAVISON: Okay, that's what I needed to  
10 know. Thank you.

11 MR. DAVIDSON: Yep.

12 CHAIR MACOMBER: Mack and then Armond.

13 MR. JENKINS: Thank you. Can you hear me?

14 CHAIR MACOMBER: Yeah.

15 MR. JENKINS: I think I was on mute. I really  
16 do appreciate the report and the very thorough  
17 presentation. So, I have a couple of comments, and I'm  
18 not sure that I have a question. And first, this is an  
19 Action Item, correct? It's going to require a vote of  
20 the Board?

21 MR. DAVIDSON: That is correct.

22 CHAIR MACOMBER: Correct.

23 MR. JENKINS: Okay.

24 MR. JENKINS: So, I focus particularly on the  
25 decrease in potential positions, and I understand that

1 completely how that happens and how its relationship to  
2 the decline in the prison populations, and Mr.  
3 Secretary, the decisions you have to make regarding  
4 which prisons to close and yards, et cetera. And so the  
5 comment I'll make is just to stress the importance of  
6 the second iteration of the recidivism study, which I  
7 believe, and Bill please correct me if I misspeak on  
8 this, will tell us more about which of our programs are  
9 particularly effective or at least related to the  
10 reduced recidivism. Right now we know that of those  
11 individuals who attend and I think complete the PIA  
12 recidivism-- I'm sorry, the PIA programs, they  
13 recidivate at, what is it a 15 percent less rate than a  
14 like population is. Did I state that correctly?

15 MR. DAVIDSON: Our team is well attuned to  
16 that number. You're exactly right. 15 percent and 85  
17 percent who do not return. Yes.

18 MR. JENKINS: So -- and then the second  
19 iteration, by design, is going to break down by  
20 programs.

21 MR. DAVIDSON: That is--

22 MR. JENKINS: In other words, you know, like  
23 optical versus whatever. And again, I just really want  
24 to stress the importance of that because we will  
25 continue to, as we move forward and as the prison

1 population continues to decline, and the secretary has  
2 to make decisions the secretary has to make. But we'll  
3 know more than we know today about the impact of these  
4 programs.

5 But what I think my fear is, I don't know that  
6 will have-- how much latitude or discretion will have  
7 relative to what that recidivism study is going to show  
8 us. Because other factors will be influencing which  
9 prisons close, and subsequently which programs are  
10 impacted. Am I saying that correctly?

11 MR. DAVIDSON: So, to your point on what the  
12 recidivism study will show, you're exactly right. That  
13 is what we are working on is to have that breakdown by--  
14 and it won't be specific to each of the 27 enterprises  
15 that we operate because some of the enterprises, just  
16 the number of participants is so low that we can't get  
17 any type of statistical relevance of that. So, we've  
18 kind of grouped them into work group types. But yes,  
19 that's exactly what the study will show.

20 And one of our reasons for doing that is  
21 exactly, I mean what you're expressing. If there are  
22 additional, you know, impacts to institutions where we  
23 may have large-- it will be very meaningful and helpful  
24 to us to know which programs are more effective than  
25 others in reducing recidivism. Absolutely.

1           MR. JENKINS: Yeah. I don't believe we can  
2   overstate the importance of that. I think that is that  
3   critical.

4           MR. DAVIDSON: Yeah.

5           MR. JENKINS: The other thing I will say is on  
6   the committee that Troy and Dawn and I have been on, and  
7   I'm embarrassed to say I'm forgetting the name of our  
8   committee, but it's employment committee, I think ,that  
9   Rusty leads. That committee has been making some really  
10  significant strides on trying to set up protocols, if  
11  you will, that to facilitate or expedite or just  
12  strengthen the link from completed PIA programs to  
13  employment in the community.

14           So that's also something that I want to just  
15  encourage all of us as Board Members to really stay  
16  focused on. Because when-- as we will know from an  
17  empirical standpoint when we get that second study, more  
18  detail than we know now about particular enterprises  
19  that have been impactful or related to or reduced  
20  recidivism. And as we support the steps to employment,  
21  we have to push that, is what I'm saying.

22           So, as we face decisions for next fiscal  
23  year's budget and plan and whatever, we will be more  
24  informed about our impact and about how we might need to  
25  look where there is discretion to realign resources.

1 And that's really just my comment here. It doesn't--  
2 it's not going to influence my vote because again, this  
3 has been very thorough. I understand, you know, how  
4 we've made decisions that we've made.

5 But I just thought it important to stress  
6 those two things. The second iteration of the  
7 recidivism study and the work of our committee to really  
8 support efforts to-- not only-- to take advantage of the  
9 work that the incarcerated persons have done in some of  
10 our programs and get them employed. And-- 'cause that's  
11 really what, that's largely what our mission is. So,  
12 I'll stop editorializing, but I just wanted to share  
13 that as we get ready to approve the plan.

14 CHAIR MACOMBER: Yeah, thank you Mr. Jenkins.

15 DR. AGHAKHANIAN: Thank you, Mr. Chair. I  
16 think in just a suggestion, but another area we should  
17 look in is also community college, is because there is a  
18 huge drop, almost 30 percent enrollment in the community  
19 colleges. So, they're running around trying to figure  
20 out how they can bring in some students because they get  
21 their money from the state per pupil. Right? Less  
22 attendance, less money.

23 I think if we get creative and looking at some  
24 of these programs and also trying to invest in areas  
25 where we can link up directly for a continuation not

1   only of their profession, but also jobs, but also  
2   education. I think that would be greatly welcomed by  
3   community colleges. Right now, myself, I employ two  
4   formerly incarcerated individuals who are getting their  
5   degrees in my office.

6               So, I think there is a big need, and I think  
7   if those are the areas we're look at-- you know, dual  
8   immersion, looking at programs that we can prepare 'em  
9   for some of these college courses so when they're  
10  transfer it's already going to get credit for it and a  
11  continuation. I think every community college would  
12  welcome this with open arms.

13              MR. DAVIDSON: Yeah.

14              DR. AGHAKHANIAN: So that's an area maybe we  
15  can invest in. And it's not really-- doesn't need  
16  machinery equipment, it's really about education  
17  partnerships, MOUs. And I think the state will welcome  
18  it too because even the governor, they're running around  
19  like how are we going to fix this program. Because free  
20  tuition is not solving the problem. After the pandemic,  
21  the numbers have dropped, and they're not coming back as  
22  the numbers that people had expected.

23              MR. DAVIDSON: Yep.

24              DR. AGHAKHANIAN: So, if that's something we  
25  can also look into.



1           CHAIR MACOMBER: And I can jump in too. On  
2 the CDCR said we have about 13,000 students in college  
3 right now. We expect to expand in addition to that to  
4 10 facilities will actually offer BA programs starting  
5 next year.

6           DR. AGHAKHANIAN: Really?

7           CHAIR MACOMBER: And then the last piece of  
8 that is inmates will once again be eligible for Pell  
9 Grants. I believe it's starting this July, it's either  
10 this July or this January. I think it's July. So,  
11 there's a lot happening on that. And so, if PIA wants  
12 to network with our DRP folks, we have folks that are  
13 solely focused on, you know, college program and we'd be  
14 happy to help there.

15          DR. AGHAKHANIAN: Excellent.

16          MR. VAUGHN: Yeah, I think it's important that  
17 we begin to look at these consolidated opportunities  
18 together, including the joint venture program. I think  
19 if we're working the education base, we're looking at,  
20 you know, making sure that they're getting skills into  
21 the labor force. And then coupled with partnering  
22 further with CDCR to understand those that are already  
23 in college. And somehow linking all these opportunities  
24 together, I think it's going to do a lot of things for  
25 us in the future, but including minimizing the image

1 that we're contributing to the process as-- you know  
2 what I mean? You know, this whole negative image that's  
3 out there for people not knowing what we actually doing.  
4 This would give us concrete evidence that we're really  
5 here to help people, stabilize them with their lives,  
6 and not return back to custody. Right? And we're  
7 giving them tangible opportunities to do so.

8           So, this does present a unique opportunity in  
9 this conversation today to really begin to have forward  
10 thinking of combining the efforts that are happening in  
11 multiple committees, but also really looking closer at  
12 how do we build a forum where we're doing joint venture  
13 program but, you know, expanding it out to an education  
14 component, coupled with what CDCR is doing, and then  
15 trying to figure out a way that we can strategically  
16 marry those opportunities together so people are  
17 actually leaving with a degree and a job or an  
18 opportunity.

19           Because our work that we do with  
20 LARP(PHONETIC) is suggesting that some people do  
21 graduate with degrees, but it's difficult for them to  
22 find employment even in that case, right? Because we  
23 we're trying for a-- really tangible opportunities for  
24 them to maximize the education and skill development  
25 that they're getting while they're actually in custody.

1 And so this could help I think, if we really begin to  
2 focus and concentrate on purpose and somehow marrying  
3 all these different things that are happening together.  
4 So, I'm glad it was raised into this conversation

5 DR. AGHAKHANIAN: And just to give you an  
6 example. For example, sometimes we think, oh we got to  
7 do this, thinking big. Homeboy Industries, for example.  
8 One of these-- two year program, they get grants, funds  
9 state, one of the students who graduated from the  
10 program and now I employ. For two years all they taught  
11 her was just how to conduct business, how to dress  
12 professionally. It wasn't like they were teaching her  
13 Excel or Word or-- two years under supervision of  
14 another formally incarcerated who became kind of the  
15 supervisor. Just teaching the basic skills.

16 I mean sometimes we think, "Oh God, we got to  
17 go in and--" You'd be surprised with some of the basic  
18 skill needs that even some individuals can use. And  
19 then they get certified at a graduation and everyone's  
20 like (claps hands) you know, and here, and you know.  
21 So, I think for us, we can get creative and also look at  
22 something even as basic as just, you know, how to  
23 conduct in business.

24 I mean this person gives these fantastic, you  
25 know, pep talks during our meetings. Great. But I'm

1 thinking also at the same time we do that and add maybe  
2 teach 'em about Microsoft office or stuff. Because  
3 that's another area that that lot of these individuals--  
4 they teach 'em the basics, but in terms of just conduct.  
5 But when it comes to office basics, that's something  
6 also I see a lot missing, you know. So, get creative  
7 and I think we'll get more support.

8           And also, the numbers you just mentioned, I  
9 didn't know about that. We can go on and say, "Hey by  
10 the way, look what we are doing." Right? With some of  
11 these individuals are very concerned about community  
12 colleges. You know, the state is doubling down on  
13 community colleges right now by, you know, investing  
14 even more in it. And we'll see. And if it doesn't hit  
15 it. But because already the Cal State system is,  
16 they're in what trillion-dollar hole right now, if I'm  
17 not mistaken? Yeah, the Cal States are not doing well  
18 in the CSUs. And so, education is focused right now.

19           MR. DAVIDSON: And we do look forward to--

20           DR. AGHAKHANIAN: Yeah.

21           MR. DAVIDSON: -- continued discussion.

22           DR. AGHAKHANIAN: And I can connect you at any  
23 of the colleges you want--

24           MR. DAVIDSON: I know you can.

25           DR. AGHAKHANIA: -- at least LA area. I don't

1 know if you're--

2 MR. DAVIDSON: Yeah.

3 CHAIR MACOMBER: Any other further comments  
4 from Board Members? Seeing no hands up.

5 Would any member of the public like to make a  
6 comment regarding this item? As a reminder, if any  
7 member of the public would like to make a comment  
8 regarding this item, please have a speaker request form  
9 filled out and then come forward and state your name and  
10 affiliation. For any member of the public who is in  
11 virtual attendance, please dial star-nine to raise your  
12 hand to speak. Our meeting organizer will place you in  
13 order, and will call out your name and/or the last four  
14 digits of your phone number when it is your time to  
15 speak. Please state your name and affiliation so that  
16 we can make a note in our records. We have no public  
17 speakers for public comment here today.

18 Is there a motion to approve Action Item B

19 DR. AGHAKHANIAN: So moved.

20 MR. VAUGHN: So moved.

21 DR. AGHAKHANIAN: I beat him.

22 (Laughter)

23 MR. VAUGHN: I second

24 CHAIR MACOMBER: Troy seconds. Board  
25 Secretary, would you please call the roll?

1 BOARD SECRETARY MARION: Okay. Member  
2 Aghakhanian?  
3 DR. AGHAKHANIAN: Aye.  
4 BOARD SECRETARY MARION: Member Amen?  
5 DR. AGHAKHANIAN: Aye. Sorry.  
6 UNIDENTIFIED SPEAKER: Amen.  
7 BOARD SECRETARY MARION: Amen, sorry.  
8 UNIDENTIFIED SPEAKER: Board Member Amen.  
9 DR. AGHAKHANIAN: Oh Amen, I'm sorry. I  
10 thought you said Armond, sorry.  
11 BOARD SECRETARY MARION: So, is that an Aye or  
12 a Nay from you?  
13 MR. AMEN: That's an Aye.  
14 BOARD SECRETARY MARION: Okay.  
15 MR. AMEN: Thank you.  
16 BOARD SECRETARY MARION: Member Davison?  
17 MS. DAVISON: Aye.  
18 BOARD SECRETARY MARION: Member Jenkins?  
19 MR. JENKINS: Aye.  
20 BOARD SECRETARY MARION: Member Lopez.  
21 MR. LOPEZ: Aye.  
22 BOARD SECRETARY MARION: Member Martin?  
23 MR. MARTIN: Aye.  
24 BOARD SECRETARY MARION: Member Patterson.  
25 MR. PATTERSON: Aye.

1 BOARD SECRETARY MARION: Member Quant.

2 MR. QUANT: Aye.

3 BOARD SECRETARY MARION: Member Vaughn.

4 MR. VAUGHN: Aye.

5 BOARD SECRETARY MARION: Vice Chair Singh? I

6 see him.

7 MR. VAUGHN: He said Aye.

8 MR. DAVIDSON: He waved.

9 BOARD SECRETARY MARION: He said Aye? Okay.

10 And Chair Macomber?

11 CHAIR MACOMBER: Aye.

12 BOARD SECRETARY MARION: Let the record show

13 the motion passes 11 to zero.

14 CHAIR MACOMBER: Thank you. We will now move

15 on to Action Item C. Mr. Davidson?

16 MR. DAVIDSON: Great. So, Action Item C is

17 our fiscal year '23-'24 designation of cash. The

18 designation of cash shows the impact of the proposed

19 capital expenditures on CalPIA's projected balance of

20 cash on hand. For the coming fiscal year, we are

21 proposing a total of \$7.2 million in new capital

22 purchases, 4.6 million for the field and 2.6 million for

23 central office. We're also proposing to roll over \$4

24 million in previously approved capital purchases that

25 we've not yet been able to complete.

1           In presenting this request, I again recognize  
2   that Senate Bill 340 is still pending legislation going  
3   through the legislative process. In light of this, I  
4   propose to make the approval of all requested capital  
5   items related to optical, which we have no new optical  
6   capital requests, this would be some rollover items.  
7   But to make the purchase of these items contingent on  
8   the outcome of Senate Bill 340 as we did last year with  
9   Senate Bill 1089. By the October Board Meeting, we will  
10   know the outcome of this bill, and I propose that we  
11   provide an update on our plans should this legislation  
12   move forward.

13           So, a few of the critical new capital requests  
14   include \$952,000 for new truck, trailers, and  
15   refrigerated trailer units, \$761,000 for the upgrade of  
16   our central processing unit at the Corcoran milk  
17   processing, \$204,000 to replace the mixer at our meat  
18   cutting operation at Mule Creek, \$97,000 for a new  
19   digital color press at the Folsom Print shop, \$2.5  
20   million in contingency, which is an amount that is  
21   consistent with what we have had the past number of  
22   years, \$2.1 million for the SAGE X3 implementation, and  
23   in a minute I'm going to ask Suzie Changus to share a  
24   little more detail on that. And then the remaining  
25   \$636,000 is primarily various replacements of equipment



1 that's gone beyond its useful life and is failing and  
2 more costly to continue to repair than to just replace.  
3 So again, the designation of cash will keep our  
4 projected cash balance at more than \$37 million, which  
5 again represents nearly two months of operating cost for  
6 us.

7 So, Suzie, if you could just maybe share just  
8 a brief update on what the \$2.1 million for the SAGE  
9 will be?

10 DR. AGHAKHANIAN: Before you do that, I have a  
11 quick question.

12 MR. DAVIDSON: Yeah.

13 DR. AGHAKHANIAN: Do we legally or by Board  
14 bylaws or rules require a certain reserve cap for CalPIA  
15 or not? Or do we have a reserve? Or do we have a cap  
16 on it?

17 MR. DAVIDSON: So, in statute, actually in the  
18 penal code, there is a section. And I don't remember  
19 the amount right now, but the prison industry revolving  
20 fund-- maybe you remember that?

21 MS. MCCORKLE: It's like 750,000.

22 MR. DAVIDSON: That's exact--

23 MS. MCCORKLE: Yeah.

24 MR. DAVIDSON: I knew it was in the--

25 DR. AGHAKHANIAN: So it's dollar, not

1 percentage?

2 MS. MCCORKLE: A dollar. Yeah.

3 MR. DAVIDSON: It's a dollar amount, but it's  
4 a very old statute that has not been updated--

5 DR. AGHAKHANIAN: Thank god--

6 MR. DAVIDSON: --in some time.

7 MS. MCCORKLE: Right

8 DR. AGHAKHANIAN: --we're not at 6 percent or  
9 something.

10 MS. MCCORKLE: No.

11 MR. DAVIDSON: No.

12 DR. AGHAKHANIAN: Okay, good.

13 MR. DAVIDSON: No. And in fact--

14 DR. AGHAKHANIAN: Spend the cash then

15 MR. DAVIDSON: Yeah. But it's a very, very  
16 small amount.

17 DR. AGHAKHANIAN: Good. As long as it's not  
18 six percent.

19 MR. DAVIDSON: We're in good shape with the 37  
20 million as far as all that goes.

21 MS. CHANGUS: Good morning. Board Members,  
22 Chair Macomber.

23 DR. AGHAKHANIAN: Microphone over to her,  
24 please. Thank you.

25 MS. CHANGUS: Oh, we can double this up.

1 DR. AGHAKHANIAN: The next area, you too.

2 MS. CHANGUS: You don't want that. Okay, good  
3 morning. I just want to give you a little bit of  
4 context around the 2.1 million that we are requesting  
5 for capital for the ERP replacement project. There's  
6 several components that we're working into this year.  
7 So, Net at Work, which Bill mentioned earlier, is our  
8 integration vendor and they're really helping us  
9 implement this system. We have costs that include  
10 things like licensing support and maintenance and actual  
11 implementation work that they're doing to help configure  
12 the system.

13 Just as a side note on our licensing, we  
14 actually got in at a great time with them. Perpetual  
15 licensing is a type of licensing that you pay a little  
16 bit more upfront, but you end up getting a great gain  
17 long term if you retain systems, which of course we're  
18 hoping to do. So, we got in before they discontinued  
19 that. So, we did purchase in a perpetual licensing.  
20 So, we have a higher cost right now, but our cost we  
21 intend to have decrease over time, which is great for us  
22 from a long-term scenario.

23 We also have a couple of integrations that are  
24 both for transportation management as well as our  
25 advanced budgeting integration. And those both are

1 going to give us some transparency and clarity that we  
2 don't currently have. It will also bring budgeting into  
3 our SAGE system, which will be a really nice game for  
4 fiscal division and truly the entire agency. So those  
5 are both worked into those numbers.

6           We also have a tool, it's called ETL, and I  
7 won't over technology this, but it's an extract,  
8 transform, load tool. And essentially what it does is  
9 it identifies data in one source, modifies it through  
10 its transition from that initial source to its target,  
11 so its final application. It gives us a lot of  
12 flexibility. I mean we have both the ERPLx system, our  
13 current ERP system, and a lot of other sources that we'd  
14 like to bring quality data into the new application.  
15 And this will give us a way to do that not only  
16 initially but long term, and to continue to bring more  
17 data in so we have a true source of truth for the  
18 agency. So that is in this request.

19           And then our last piece is with Hyper  
20 Solutions, and they really have been kind of our partner  
21 in this transformation. So, they do three major things.  
22 The most important thing that we brought them in for is  
23 team alignment. I mean, I think for folks that have  
24 worked in large scale projects, you know that these  
25 things can be challenges. It takes a lot of work to

1 keep everyone on the same page. So, they have been a  
2 huge help for us in just working through challenges and  
3 roadblocks that we anticipated and that we needed a  
4 little support.

5 They provide Bill and I a ton of executive  
6 sponsor support and really help kind of guide us through  
7 things that are maybe new for us or new in this  
8 particular agency. And then they also provide support  
9 in vendor management, which of course is its own  
10 challenge, but has been really helpful to have them on  
11 board.

12 And just a side note, the person that we work  
13 with at Hyper actually was the former CIO at CalPERS and  
14 was the individual that helped implement the myCalPERS  
15 system. So, he has been a huge resource for us in  
16 really helping kind of guide the major large-scale  
17 implementation from a technology side. So, we are  
18 continuing support with them cause they've been a huge  
19 partner. So those are our major areas for the 2.1.

20 MR. DAVIDSON: Thanks Suzie. And no problem.  
21 Some of these costs, I will say initially we were  
22 contemp-- they would've gone through as an expense item,  
23 and probably would never been part of this conversation  
24 or discussion. But Natalie and her team, in doing some  
25 analysis and review that identified these could really

1 be capitalized items and expensed over a number of years  
2 appropriately. So-- but we wanted to make sure that we  
3 were transparent and have it be part of this process and  
4 this discussion before we move in that direction.

5 But I thought it was just important too to  
6 have that cons-- or that perspective as we talk about,  
7 you know, 2.6 million in central office capital compared  
8 to 4.6 million for the field. But that 2.6 million is  
9 this, really this, and half a million of that  
10 contingency amount, is what our central office asked  
11 really is plus a couple of vehicles to replace some  
12 aging vehicles. But I just thought it's important to  
13 have that full context there.

14 MR. QUANT: I had a question. Is PIA required  
15 to be on FI\$Cal by chance? Are there plans to get on  
16 FI\$Cal? And also, are there any requirements for  
17 CalPIA's? From what I understand, there are  
18 conversations taking place at CalHR for a statewide  
19 enterprise resource planning system. And will CalPIA  
20 have to go on that once that is rolled down? Who knows  
21 how far away that is, but just--

22 MR. DAVIDSON: So as far as the FI\$Cal piece,  
23 we'll start there. And Natalie, I know will kick in  
24 because she's been working with the FI\$Cal team. I  
25 can't say that no, we are not required to be on FI\$Cal.

1 We are delayed. We are one of the delayed departments.  
2 And I don't know, and Natalie can fill in the details,  
3 if we are going to be required to be fully involved in  
4 FI\$Cal. Because again, the way that we account is very,  
5 very different than the state accounting system and it's  
6 not a plug and play type of a deal. But we have been in  
7 regular contact with FI\$Cal about the progress, but it's  
8 years down the road.

9 MR. QUANT: Okay.

10 MR. DAVIDSON: And Natalie, I don't know if  
11 you happen anymore to add to that.

12 MS. MCCORKLE: Yeah, we recently formed a team  
13 and had a kickoff meeting with them because we have been  
14 deferred, but now it's our turn to get looked at. So,  
15 they call it a gap analysis where they'll determine what  
16 our requirements are based on what the FI\$Cal system can  
17 provide, and see what gaps there are and see if there is  
18 a way to get us on FI\$Cal or not, or partially. So, we  
19 just don't know at this point because we're in the  
20 beginning stages with them.

21 MR. QUANT: Okay, great.

22 MR. DAVIDSON: And on the ERP side, I'm not  
23 super familiar with what CalHR is working on, but I can  
24 tell you whatever they have, I mean we may be able to  
25 participate somewhat in it, but if I'm sure what they

1 have will not be a manufacturing-based ERP system, which  
2 is what we need. I mean that's the core of our business  
3 function. And so regardless of it, we're still going to  
4 need to have this system in place for our operational  
5 needs.

6 MR. QUANT: Okay, great. And that's what I  
7 was trying to get at. I mean, I've worked at  
8 Corrections, which is also another department that's  
9 been deferred. I'm working with Caltrans now and  
10 they've been deferred. And now it's like all the  
11 conversations, all right, now it's time.

12 MS. MCCORKLE: Yep.

13 MR. DAVIDSON: Yep.

14 MR. QUANT: We're starting to move in this  
15 direction.

16 MR. DAVIDSON: Yep, we're having those same  
17 conversations, and the gap analysis is a key thing that  
18 we're working through.

19 MR. QUANT: Great.

20 MS. MCCORKLE: Yeah, so overall, we're not  
21 really seeing the foresight of us having to go into  
22 FI\$Cal unless it's for something just like payables, but  
23 there's not much of what we do that would fit into the  
24 current FI\$Cal system without them having to do great  
25 modifications, which would not be statewide. So, we



1 don't foresee them actually doing that.

2 MR. QUANT: And I know that honestly that  
3 every department's had to do significant modification.  
4 I mean, healthcare services is where I worked before and  
5 every department works differently.

6 MS. MCCORKLE: Yes.

7 MR. DAVIDSON: It does.

8 MR. QUANT: Different processes that--yeah.  
9 That might be forthcoming. But--

10 MS. MCCORKLE: Well, we looked into it years  
11 ago with the manufacturing portion and they could not  
12 support it. Now it's our turn to revisit it, so-- which  
13 is why we move forward with the SAGE system because we  
14 need to replace our current ERPLX system. It's just  
15 outdated, and we need more from a system to help support  
16 how large CalPIA has gotten with our programs and  
17 everything.

18 DR. AGHAKHANIAN: Mmm hmm.

19 MR. QUANT: Thank you.

20 MR. DAVIDSON: Any other-- Armond?

21 DR. AGHAKHANIAN: Thank you. Ms. McCorkle,  
22 right?

23 MS. MCCORKLE: Yes.

24 DR. AGHAKHANIAN: Thank you. So just for the  
25 right-- since we have people watching this. So, the

1 cash flows from non-capital finance activities, these  
2 interest paid, what are these interest paid? Are they--  
3 do we have a money market account, something sitting  
4 there? Or do we have the ability to put our reserves,  
5 the 700 by law in a money market account, or some kind  
6 of a CD? Because the interest rates are going up right  
7 now on CDs. And not significantly, but better than what  
8 it was before.

9 MS. MCCORKLE: Yeah, we have looked at being  
10 able to invest, and we can't do anything other than the  
11 state's SMIF account. So, the interest we receive is  
12 that.

13 MR. DAVIDSON: And the SMIF account is the  
14 Surplus Money Investment Fund.

15 DR. AGHAKHANIAN: Oh, is it?

16 MS. MCCORKLE: Yep.

17 DR. AGHAKHANIAN: So, we can't go to, like,  
18 Schwab or--

19 MS. MCCORKLE: No.

20 MR. DAVIDSON: We cannot.

21 MS. MCCORKLE: We cannot.

22 DR. AGHAKHANIAN: Wow. Okay.

23 MS. MCCORKLE: Yeah.

24 DR. AGHAKHANIAN: We should go talk to our  
25 legislators about it.

1 MS. MCCORKLE: Well we looked into it--

2 MR. DAVIDSON: I think we had that  
3 conversation a year ago.

4 MS. MCCORKLE: Yes.

5 MR. DAVIDSON: I think we had the same--

6 DR. AGHAKHANIAN: You had the same  
7 conversation. I'm sorry.

8 MR. DAVIDSON: No, no, no--

9 DR. AGHAKHANIAN: I was the interest for that  
10 jump.

11 MR. DAVIDSON: It's all good.

12 DR. AGHAKHANIAN: You know, 'cause it's going  
13 up right now. So also, when we acquired these equipment  
14 in terms of depreciation--

15 MS. MCCORKLE: Yes.

16 DR. AGHAKHANIAN: --and you know, some of them  
17 depreciate really fast, some of them don't.

18 MS. MCCORKLE: Correct.

19 DR. AGHAKHANIAN: Some of the items that are  
20 really-- do we have the ability, I use the code, have a  
21 yard sale or something? Or what happens with the old  
22 equipment that depreciates so fast? I know some of  
23 these equipment keep their value, some of them don't.  
24 But again, don't get me into accounting, my favorite  
25 thing.

1 MS. MCCORKLE: Right.

2 DR. AGHAKHANIAN: But do we have the ability  
3 to auction these items at one point?

4 MS. MCCORKLE: Yes, yes.

5 DR. AGHAKHANIAN: We do.

6 MS. MCCORKLE: We do. Yeah. We use the DGS  
7 auction, we use the government surplus, which is another  
8 avenue that we can do. So, we do.

9 MR. DAVIDSON: And sometimes a private  
10 auction.

11 DR. AGHAKHANIAN: And how big is this meat  
12 machine we just bought right now?

13 MR. DAVIDSON: But that-- there is a process  
14 whereby--

15 MS. MCCORKLE: Yes.

16 MR. DAVIDSON: --any equipment that is being  
17 replaced and we dispose of it, there is a process  
18 whereby--

19 DR. AGHAKHANIAN: There is? Okay.

20 MS. MCCORKLE: Yeah. We have to go through  
21 DGS to get approval to even auction.

22 DR. AGHAKHANIAN: Yeah.

23 MS. MCCORKLE: And then once we get approval,  
24 then we go out for auction.

25 DR. AGHAKHANIAN: Good. Well, whenever these

1 trucks come at auction time, let me know.

2 CHAIR MACOMBER: Any other Board Members have  
3 any comments? Seeing none.

4 Would any member of the public like to make a  
5 comment regarding this item? As a reminder, if any  
6 member of the public would like to make a comment  
7 regarding this item, please have a speaker request form  
8 filled out and then come forward and state your name and  
9 affiliation. For any member of the public who is in  
10 virtual attendance, please dial star-nine to raise your  
11 hand to speak. Our meeting organizer will place you in  
12 order and will call out your name and/or last four  
13 digits of your phone number when it is your time to  
14 speak. Please state your name and affiliation so that  
15 we can make note in our records. Each speaker will be  
16 limited to two minutes for public comment. Seeing no  
17 public comment. Is there a motion to approve Action  
18 Item C?

19 DR. AGHAKHANIAN: So moved.

20 MR. VAUGHN: Second.

21 MR. JENKINS: Second.

22 CHAIR MACOMBER: Board secretary, please call  
23 the roll.

24 BOARD SECRETARY MARION: All right. Member  
25 Aghakhanian?

1 DR. AGHAKHANIAN: Aye.

2 BOARD SECRETARY MARION: Member Amen?

3 MR. AMEN: Aye.

4 BOARD SECRETARY MARION: Member Davison?

5 MS. DAVISON: Aye.

6 BOARD SECRETARY MARION: Member Jenkins?

7 MR. JENKINS: Aye.

8 BOARD SECRETARY MARION: Member Lopez.

9 MR. LOPEZ: Aye.

10 BOARD SECRETARY MARION: Member Martin?

11 MR. MARTIN: Aye.

12 BOARD SECRETARY MARION: Member Patterson.

13 MR. PATTERSON: Aye.

14 BOARD SECRETARY MARION: Member Quant.

15 MR. QUANT: Aye.

16 BOARD SECRETARY MARION: Member Vaughn.

17 MR. VAUGHN: Aye.

18 BOARD SECRETARY MARION: Vice Chair Singh?

19 Yep, that was a yes. Okay, and Chair

20 Macomber?

21 CHAIR MACOMBER: Aye.

22 BOARD SECRETARY MARION: All right. Let the

23 record show the motion passes 11 to zero.

24 CHAIR MACOMBER: Thank you. We're going to go

25 slightly out of order. We're going to go to Action Item

1 E now, and then we'll do D as our last item. Mr.  
2 Davison, Action Item E.

3 MR. DAVIDSON: Thank you. Here to present  
4 Action Item E is Michele Kane, our Assistant General  
5 Manager for External Affairs.

6 MS. KANE: All right. There we go. Good  
7 morning. Good morning, Chair Macomber, Vice Chair  
8 Singh, and Board Members. Should the Board oppose  
9 Senate Bill 340? Now that bill, authored by Senator  
10 Eggman, could have a detrimental impact to CALPIA's,  
11 optical program and overall rehabilitation for  
12 incarcerated individuals.

13 Now, the bill we have mentioned before would  
14 authorize a Medi-Cal optometrist to purchase eyeglasses  
15 through a private entity instead of purchasing  
16 eyeglasses through CalPIA. SB 340, it's identical to  
17 SB 1089, which was a Wilk bill. It was a gut and amend  
18 bill last year.

19 There is no reason for SB 340 right now.  
20 CalPIA's optical program is back to normal with its  
21 average turnaround times at four days. CalPIA's quality  
22 is impressive. CalPIA's average redo-rates for  
23 eyeglasses is below one percent. That is better than  
24 the industry standard. As with most manufacturing  
25 across the world--the pandemic, created delays. With

1 the onset of the pandemic in March, 2020, turnaround  
2 times did increase, but turnaround times, as we stated,  
3 are back to normal. They're back to pre-COVID numbers.

4 The impacts of SB 340, they are huge. It will  
5 cost the state millions of dollars in higher  
6 incarceration costs. SB 340 could result in higher  
7 crime. It would eliminate rehabilitative job training  
8 opportunities for incarcerated individuals.

9 CalPIA is one of the state's best  
10 rehabilitative job training programs in the state.  
11 Mack, you can attest to that. We say this all the time.  
12 The recent UC Irvine study proves that as it followed  
13 8,600 formally incarcerated individuals who  
14 participated, or were on a wait list with CalPIA, only  
15 15 percent who went through our programs returned to  
16 custody after three years.

17 CalPIA'S programs helped to increase public  
18 safety and saves the general fund millions per year  
19 while receiving no appropriation from the legislature.  
20 CalPIA has been fabricating prescription eyeglasses...  
21 little background for you - We have been partnering  
22 with Medi-Cal since 1988, of December.

23 MR. DAVIDSON: Yep.

24 MR. KANE: We have a strong partnership with  
25 DHCS, Department of Healthcare Services. Currently



1 CalPIA operates three optical labs right now. We are at  
2 Solano, Valley State Prison, and Central California  
3 Women's Facility.

4 CALPIA provides industry accredited  
5 certifications within the optical program. We partner  
6 with the American Board of Opticianry, where  
7 incarcerated individuals have the opportunity to become  
8 opticians. They also can become lab techs.

9 CALPIA's optical program produces many success  
10 stories. We have success stories where incarcerated  
11 individuals are working as opticians, lab managers,  
12 they're working in other positions in the optical  
13 industry. We have individuals working right now at Lens  
14 Crafters, National Vision, Site for Sore Eyes, VSP,  
15 Vision Care and other businesses.

16 Passage of this bill- the fiscal impact would  
17 have a significant cost to the state. Currently DHCS  
18 reimburses CalPIA, they reimburse us an average of  
19 \$19.82 per pair of Medi-Cal lenses. In the Senate  
20 Appropriations analysis, I'm going to read this, DHCS  
21 estimates the cost for the Medi-Cal program increasing  
22 if this bill passes. It would increase 6.5 million for  
23 six months in 2023-'24, 28.3 million in '24-'25, and  
24 29.1 million in '25-'26 and ongoing thereafter. DHCS  
25 estimates that while the current average CalPIA payment

1 is \$19.82 per lenses, the non-PIA rate is estimated to  
2 be \$47.76. DHCS also estimates cost of 148,020 in '23-  
3 '24, and 139,000 in '24-'25, and ongoing thereafter for  
4 their state operations.

5           Incarcerated individuals who work in our  
6 optical enterprise, can earn those 12 weeks of sentence  
7 reduction credits for each year worked. The loss of  
8 incarcerated individual work assignments in the optical  
9 program will be about 420. By not having the  
10 opportunity to earn the 12 weeks of sentence reduction,  
11 the state could incur costs up to 12.3 million a year by  
12 keeping individuals in prison.

13           So, in addition, CalPIA has made that  
14 substantial capital investment that we talked about.  
15 It's 24.4 million to upgrade all the optical automation.  
16 Of course, and we expanded to CCWF, we expanded that to  
17 that lab. There is also an impact to state's civil  
18 service workers since CalPIA employs about 57 civil  
19 service staff at the three optical labs.

20           So due to the direct negative impact on  
21 CalPIA's optical program, which could eliminate hundreds  
22 of rehabilitated job training positions annually, and it  
23 will cost the state tens of millions of dollars in  
24 additional costs a year, CalPIA staff recommends that  
25 the Board authorize an opposed position on SB 340. Any

1 questions? I hope you-- yep?

2 DR. AGHAKHANIAN: I think Board Member Jenkins  
3 had his hand up first.

4 MR. JENKINS: Thank you, Armond. So first,  
5 obviously, I will be voting in favor of this. But a  
6 clarifying question I have is who will the letter come  
7 from?

8 MS. KANE: The letter will co--

9 MR. JENKINS: Who will be se--

10 MS. KANE: Yes.

11 MR. JENKINS: I'm sorry.

12 MS. KANE: So, it would come from--

13 MR. DAVIDSON: It would come from the Board.

14 MS. KANE: --Board.

15 MR. JENKINS: From the Board.

16 MR. DAVIDSON: It would come from the --

17 MR. JENKINS: So not the Secretary?

18 MS. KANE: Not--

19 MR. JENKINS: Just affirming that.

20 MS. KANE: Not the Secretary.

21 MR. JENKINS: Okay.

22 MR. DAVIDSON: So, let me speak just a little  
23 bit to that.

24 MS. KANE: Yes.

25 MR. DAVIDSON: And I think this request does

1 perhaps put Secretary Macomber, Member Quant, Member  
2 Amen in a little bit of a weird position. And so, we  
3 would not ask you three specifically. Because this is a  
4 legislation that the administration has not taken a--

5 MR. JENKINS: A position.

6 MS. KANE: A position.

7 MR. DAVIDSON: --pro or against position on.  
8 And so as members of this Board through your state  
9 positions, it would probably be inappropriate for the  
10 three of you to take a position on this bill. But the  
11 remaining eight, which still constitutes a quorum--

12 MS. KANE: A majority.

13 MR. DAVIDSON: --a majority for the Board, we  
14 could still, as a California Prison Industry Board, move  
15 forward with that letter of opposition. But again,  
16 without those three specifically being a part of that.

17 MS. KANE: And as an organization and a Board  
18 having an opposed position, it would prevent us from  
19 going-- this bill from going on consent.

20 DR. AGHAKHANIAN: Good.

21 MR. DAVIDSON: Yes.

22 DR. AGHAKHANIAN: By the way, which union are  
23 civil service people represented by, by the way?

24 MS. KANE: In the optical program?

25 DR. AGHAKHANIAN: Yes.

1 MS. KANE: It's SEIU, as well as the  
2 Operating Engineers.

3 DR. AGHAKHANIAN: Can we get an opposition  
4 letter from them too? Because they're going to be  
5 losing workers. I mean--

6 MR. JENKINS: So--

7 MR. DAVIDSON: That was not a bad question.

8 MR. JENKINS: I didn't want to--

9 MS. KANE: That's a great---

10 DR. AGHAKHANIAN: Laying off union--

11 MR. DAVIDSON: You're right.

12 MR. JENKINS: There are a couple other  
13 questions I have, and then a comment as well. And one,  
14 you just answered my second question. I'm sorry Bill,  
15 that-- because I know we hadn't done this last year, but  
16 you just explained, you know, the context in which we  
17 would move forward.

18 MS. KANE: Mmm hmm.

19 MR. DAVIDSON: Yes.

20 MR. JENKINS: So, I apologize that I had not  
21 already communicated directly with you, Bill and  
22 Michele, after my conversation with the lobbyist.  
23 Because he did invite, or did request actually, one-- a  
24 conversation directly with you. But I want to share  
25 several points from that conversation that I think are

1 important to this discussion.

2           The first is, our-- this is my input. Our  
3 opposition to this bill is strengthened as we talk about  
4 what the letter, the attachment speaks to, the intent  
5 versus the impact. When you listen to Senator Eggman,  
6 her presentation to the Health Committee, she even said  
7 after Armond and I spoke, I have nothing against PIA,  
8 what she said, "I have nothing against PIA, I support  
9 PIA."

10           MR. DAVIDSON: Mmm hmm.

11           MR. JENKINS: But she said PIA is late. In  
12 other words, there's one other thing. She was hitting  
13 on the point that there's been a delay. She was hitting  
14 on that point. But one of the critical points that she  
15 said to them that I think resonated with them, with the  
16 whole Health Committee, she said, "Well PIA can still  
17 bid for these contracts." And that threw me a little  
18 bit. I don't know what she's talking about. I don't  
19 know if that's true, or if that's not. But that was her  
20 representation to the Health Committee. We're not  
21 hurting PIA with this bill. We're just making us--we're  
22 supporting competition. PIA is late on things, plus  
23 they can still bid on these contracts. But--

24           MR. DAVIDSON: I don't know what she meant by  
25 that either.

1 DR. AGHAKHANIAN: She has no clue what she--  
2 I'm sorry.

3 MR. JENKINS: Yeah, but I am saying, and  
4 Armond was there. That was a representation made to  
5 that entire Health Committee. This bill got through the  
6 Health Committee without a dissenting vote.

7 So, then the other thing in the conversation  
8 with the lobbyist, what he later said was, he reiterated  
9 "You guys are late. These things come in late. We're  
10 hearing all the time that they're coming in late." I  
11 said, "That's not what-- that's not my understanding as  
12 a Board Member. We're understanding that that issue has  
13 been addressed."

14 The other thing that he said was, "We don't  
15 really know that these people are really getting jobs.  
16 Are they actually getting jobs?" And I appreciate,  
17 Michele, what you just shared in your overview, that we  
18 know that some of the graduates are being employed in  
19 these areas. Because I do think that is important as we  
20 continue to further engage in an opposition position on  
21 this field, because the lobbyists are representing to  
22 the legislator that is not occurring.

23 DR. AGHAKHANIAN: Yeah--

24 MR. JENKINS: And they minimized--

25 DR. AGHAKHANIAN: -- sorry.

1           MR. JENKINS: -- he minimized the impact of  
2 the recidivism study. He minimized that. Because  
3 obviously, we've talked a lot about that. So, what I'm  
4 just sharing is information that we should be aware of  
5 as we move forward. As I said, I'm in full support of  
6 an opposition letter, I want my name to go on it. But I  
7 also want us to be prepared in the opposition letter to  
8 address those points.

9           This whole point about bidding, I really still  
10 don't know what that is, and the issue about quality.  
11 And I like the way we discussed and the attachment, the  
12 recidivism rate. I think those are strengths. But  
13 ultimately, it's intent versus impact. Because the  
14 Senator is not wanting to own up to, "Yeah, I want to be  
15 a part of an effort that removes 400 training and  
16 rehabilitative opportunities for incarcerated persons."  
17 She does not want to own up to that.

18           DR. AGHAKHANIAN: Six union workers.

19           MR. JENKINS: But the impact of this bill is  
20 that. You understand what I'm saying? It's intent  
21 versus impact. So, the final letter of what I'm  
22 suggesting really needs to be strong in that discussion.

23           I would recommend an edit that I see in the  
24 attachment. And that's where we say, "It could result  
25 in higher crime." I don't think we need to say that.



1 DR. AGHAKHANIAN: Yeah.

2 MS. KANE: Okay.

3 MR. JENKINS: And I think it might-- because  
4 it's becomes debatable a little bit. I mean I'm not  
5 suggesting there's not accuracy to it, but I don't think  
6 that's our strongest point. Our strongest point is the  
7 line that follows it. Because what is not debatable, is  
8 it eliminates the rehabilitative training opportunities.  
9 That is not debatable. That's what happens.

10 Now subsequently, clearly that can mean that  
11 those individuals without those opportunities do  
12 continue to engage in behavior that commits crime. But  
13 I'm just saying that I think we might be able to  
14 eliminate that, or just go away from that. And it might  
15 lend to the overall credibility of the letter. Just  
16 saying. It's not something that's debatable, but  
17 there's, there's no debate. It eliminates those  
18 opportunities. So those are my points.

19 MS. KANE: Mack, I'm looking at doing the  
20 letter with the recommendation. So, what the  
21 recommendation would be, just saying that, "Dear, you  
22 know, Senator Eggman, the Board has, on the date-- if  
23 you guys vote to oppose this, it would have a direct  
24 impact on CALPIA's optical program, which will eliminate  
25 hundreds of rehabilitated job training positions

1 annually, and cost the state tens of millions of dollars  
2 in additional cost a year." We can also add the staff  
3 and as Armond is pointing out. But--

4 DR. AGHAKHANIAN: There's a couple of other  
5 pointers I also want before we finish about adding to  
6 this, because-- once you're done. Because I will tell  
7 you, just from the hearing, what my understanding is.  
8 But I've also done some background check on how this  
9 fruition from Wilk's to this. And I'm sorry to say this  
10 out of respect to the senator, she did not read our  
11 letters nor-- she was following basically. But we'll  
12 get to it. When my attorneys-- Mr. Chairman, I would go  
13 over some of these concerns I have.

14 MR. JENKINS: Thank you, Armond. And I'm  
15 finished. I thank you very much. But I'm finished with  
16 my piece.

17 DR. AGHAKHANIAN: Yeah. Okay.

18 CHAIR MACOMBER: Jemahl?

19 MR. AMEN: One of my questions was answered.  
20 And I guess I would echo Mack's response. I think I was  
21 asked to join this board not to abstain from votes like  
22 this. So, I obviously support the Board's position in  
23 opposing in this legislation. So, I don't think that's  
24 an issue.

25 I did have a quick question regarding the

1 coordination piece with CDCR's Legislative Affairs  
2 Division. Do we in any way help them write their veto  
3 message, or draft veto message language for their  
4 consideration? Cause I know our Legislative Affairs  
5 Division, we reach down and coordinate all those  
6 discussions as well.

7 MS. KANE: We work hand in hand with the  
8 CDCR's legislative folks. And we also work-- we also  
9 talk with all the committee consultants as well just to  
10 inform them. We work-- we do the process as we have to  
11 with the state-- as a state agency, and with DHCS leg  
12 folks as well. Yes.

13 CHAIR MACOMBER: Armond?

14 DR. AGHAKHANIAN: All right. So, everyone,  
15 again, one of the reasons I like politics because I like  
16 forensic science.

17 (Laughter)

18 So, it's true. You got to link it up. And I  
19 have very good sources, longtime friends who work both  
20 sides. And for someone who's worked for the legislature  
21 for a long time, I can tell you there are certain times  
22 of a year when you pass certain bills because you want  
23 to win favor from the other side for your bills. And  
24 there's a reason why this Wilk bill was regutted. Wilk  
25 is a Republican, for those of you who know. And I can

1 tell you when this legislation came forward, my sources  
2 told me that there was the optometry lobbies who were  
3 angry because their clients were losing business to us.

4 Let's be very clear and let's call, you know,  
5 let's point out the pink elephant in the room per se,  
6 right? And I think once we brought this forward, there  
7 are certain concerns. But at that point the lobbyist  
8 came back because the Wilk bill didn't pass. So, I  
9 don't know why Eggman picked this up, it's a very big  
10 mystery for me. But maybe it's because she's trying to  
11 win some favors on some of her bills that might need  
12 Wilk's, support because Wilk is terming out, for those  
13 of you don't know.

14 So that's kind of a lay of the land. Because  
15 when we went back, if I'm not correct to the, you know,  
16 Appropriation Chairperson, Assemblymember Holden, you  
17 know, second time we went, this is what was brought up,  
18 if I'm not mistaken, of his staff or some other staff.  
19 One of them said, "Well, we discovered that these jobs  
20 that you train, they can't find any jobs in California,  
21 so they have to go to Indiana or Idaho."

22 Yeah, so this is, again, the spinning points  
23 of the lobbyist. That's one thing we need to also put  
24 out there. I not-- didn't hear it from one, I heard it  
25 from two staffers saying, "This is great, but we heard

1 that these people, when even once they graduate, they  
2 can find jobs in California." Which, according to what  
3 you're telling me and what we know, it's not true.

4 So again, lobbyists doing this. I--again, all  
5 due respect to all my friends from the Senate committee,  
6 they did not read this bill. Had we not confronted  
7 this, it would have-- some of 'em are like, "Oh, well I  
8 didn't know." Because some of them afterwards say, "I  
9 didn't know, Armond." Well now you know.

10 You know, and I'm sorry for a Senator Eggman  
11 for her argument of, "When I was a child, you know, I  
12 used to get my glasses. And I remember--" That is such  
13 a 101 lobbyist talking points. I'm sorry. You know,  
14 and for her, one thing that Mr. Jenkins didn't mention,  
15 and I say this in a way-- I'm not-- nothing to attack  
16 the Senator. I'll just tell you that it's unfortunate  
17 that we had to sit there and listen to those comments.  
18 No, for her not doing her homework.

19 She also said private competition will  
20 improve. That's why she's talking about bidding. So,  
21 she's saying, if we open this up, private sector will  
22 come in, we'll come in, and maybe a lesson learned from  
23 you guys, maybe the private sector will do a better job.  
24 My question to her was, which I didn't get to ask, do  
25 you have any data about what the private sector is doing

1 in terms of delivery of these objects? Right? Because  
2 they're going to have to go to their private sector  
3 producers.

4 It's a very-- look, this is a bill about greed  
5 and money. We were late during the pandemic. So was  
6 everyone. You can give me one company that delivered  
7 items on time or were even available. Remember toilet  
8 paper? I didn't see a bill out there saying toilet  
9 paper should, you know, be outsourced, right?

10 So, I think the reality of this is that our  
11 members did not do a good job reading the legislation.  
12 We should oppose this. We should, within that language,  
13 put in the fact some of the things I just mentioned, but  
14 also remind everyone that \$24 million for lens cutting  
15 material. There is no college career college out there  
16 that offers a lens cutting certification. No one's  
17 going to invest \$24 million in getting something so  
18 nichey.

19 So, the fact that we're doing this-- Lens  
20 Crafters and all these institutions love this, because  
21 they don't have to spend money training these workers in  
22 something so expensive. Because I don't know any  
23 community college or career college that has a  
24 certification in lens crafting, you name, find me one--  
25 you know. So, we are also doing a favor, you know.

1           So those are the things we need to put in.  
2   Because, you know, they're not listening to what we're  
3   talking about. They're following the points. And then  
4   this whole thing about competition making this great,  
5   well, there are a lot of other programs too that we can  
6   go to private sector and maybe will make it better. But  
7   that's not the argument here, is it?

8           So, I do want to add in the language that  
9   there will be union workers also losing their jobs, and  
10   let our union brothers and sisters in solidarity come  
11   forward and write the letters of support.

12           MR. DAVIDSON: So, what I would propose with  
13   this is that we work closely with the legislative  
14   subcommittee--

15           DR. AGHAKHANIAN: Yes.

16           MR. DAVIDSON: --and this board to draft this  
17   opposition letter addressing--

18           DR. AGHAKHANIAN: Yes.

19           MR. DAVIDSON: --the areas that we've talked  
20   about here, and we can do that as a subcommittee. When  
21   that opposition letter is drafted, share it with the  
22   full board, and then submit it.

23           DR. AGHAKHANIAN: And we should tell the  
24   lobbyists--

25           MR. DAVIDSON: But it should be drafted--

1 DR. AGHAKHANIAN: --they should drop this one.  
2 It's not going to-- I'm sorry to say this. This is-- I  
3 don't-- I'm not excited, angry, or bitter about this. I  
4 just don't-- it just amazes me how easily these members  
5 are misinformed. And maybe it's our fault for being  
6 not-- but not being there early on. But the letter will  
7 be. But I also want to point out the things, including  
8 jobs and all that. We need to hurry up on this because--

9 MR. DAVIDSON: Yeah.

10 DR. AGHAKHANIAN: --with the new speakers, all  
11 these committee chairs are going to switch around. I  
12 mean, the appropriation would probably-- I don't know  
13 what's going to happen, but I'm hearing there's going to  
14 be major shifts. We don't want to repeat ourself, you  
15 know. But that's why I'm meeting with some of our  
16 friends today to go over this. And this is great. I  
17 need more copies of this. They were not aware of all of  
18 this information.

19 And if you notice some of the members, you  
20 watch the video, they're very uncomfortable voting yes  
21 on this after our little testimonies. But I want to  
22 even go further. If this moves forward, I would love to  
23 get some of our formerly incarcerated and staff go and  
24 let's rally in front of their office with signs saying,  
25 shame on you. We're going to put all these people out



1 of work. Let's see how that's going to work.

2 This is a no-brainer. I don't know. I hope  
3 it doesn't pass, but it's a no-brainer. It's going to  
4 cost money. What, what are we, \$20 billion deficit  
5 right now? Yeah, let's add a little more money to that  
6 as well. Sorry.

7 MR. JENKINS: Yeah, I just wanted to, as you  
8 guys work on the letter back in the committee, I just  
9 want to, you know, ask the question in terms of the  
10 private industry, what would happen to the individuals  
11 like Anthony Martinez? You know, like, you know, who  
12 was a success story out of the optical program and now  
13 just managing staff and the company.

14 Those success stories that we have, you know,  
15 we have no guarantee that private industry will hire  
16 formerly incarcerated individuals. And one of the  
17 things that we strongly stand for is ensuring that  
18 there's a pathway of employment for people that are  
19 formerly incarcerated and for going into the private  
20 industry. And we lose that level of continuity that  
21 we're working hard to create here and have created.

22 So, anyway, I just hopefully we'll lift up  
23 some of those testimonies and those success stories in  
24 our letter of support as clear examples of the pathways  
25 that are created from our training programs.

1           MR. JENKINS: I just have to add, based on  
2   Troy's comments, again, the representation being made by  
3   the lobbyists is that those individuals like Anthony  
4   Martinez don't exist out of the optical program.

5           DR. AGHAKHANIAN: Or they work at Indiana or  
6   something.

7           MR. JENKINS: That is the message that they  
8   are pushing, that these-- that our programs are not  
9   leading to employment for people.

10          MS. KANE: Well, as we know, they are leading  
11   to employment. And it is challenging because a lot of  
12   the individuals that are employed, they don't want to  
13   come forward because a lot of their staff, they don't  
14   know about their background. So, we run into that  
15   obstacle as well. So, I can tell you names, but will  
16   they come forward? It's doubtful, other than Anthony  
17   Martinez that I have. But we have several at VSP.

18          DR. AGHAKHANIAN: Yeah, but can we use their  
19   first name? Like we don't need their consent to say  
20   these individuals starting with this first name got jobs  
21   through the program.

22          MS. KANE: Yeah.

23          DR. AGHAKHANIAN: I mean, you don't need to.  
24   And if they ask you, you can say, "Well, because of  
25   private reasons, but if you want, here are the records

1 just for your eyes only."

2 MS. KANE: Yeah. And we have that as well.

3 So that would be good. That's a good point.

4 CHAIR MACOMBER: Okay. Seeing no further  
5 comments from the Board, we will go into public comment.  
6 Would any member of the public to make a comment  
7 regarding this item? As a reminder, if any member of  
8 the public would like to make a comment regarding this  
9 item, please have a speaker request form filled out and  
10 then come forward and state your name and affiliation.  
11 For any member of the public who is in virtual  
12 attendance, please dial star-nine to raise your hand to  
13 speak. Our meeting organizer will place you in order  
14 and will call out your name or at the last four digits  
15 of your telephone number. Please state your name and  
16 affiliation so that we can make note in our records.  
17 Each speaker will be limited to two minutes for public  
18 comments. Seeing no public comments. Is there a motion  
19 to approve Action Item E.

20 MR. JENKINS: So, moved.

21 DR. AGHAKHANIAN: Well, go ahead. Let's  
22 second it then.

23 MR. JENKINS: I'll make that motion.

24 BOARD SECRETARY MARION: Okay.

25 MR. MARTIN: I'll second it.

1 BOARD SECRETARY MARION: Who is that?

2 MR. MARTIN: Felipe.

3 BOARD SECRETARY MARION: Okay, calling to  
4 vote.

5 DR. AGHAKHANIAN: Can we have a discussion?  
6 There's a motion and a second. I will-- Mr. Jenkins, I  
7 will ask you maybe to reiterate your motion with the  
8 changes. So, move it with the changes requested before  
9 or else--

10 MR. JENKINS: Yeah.

11 DR. AGHAKHANIAN: Okay.

12 MR. JENKINS: I'll accept that friendly  
13 amendment to my motion so that it-- as stated by my  
14 colleague, with some iterations that we can look at. Is  
15 that-- can I word that, that the Board can look at--

16 DR. AGHAKHANIAN: Yes.

17 MR. JENKINS: --before it goes out?

18 MS. KANE: Yes, it would be--

19 MR. JENKINS: That's my motion.

20 MS. KANE: The leg subcommittee.

21 DR. AGHAKHANIAN: Well, when do we need to  
22 get this out?

23 MS. KANE: I would like to get this letter in  
24 as soon as possible. It's going-- the bill will be  
25 presented at the Health Committee on June 27th. That is

1 next Tuesday. For opposition letters, it needs to be in  
2 the Wednesday before, so that's tomorrow, for the Health  
3 Committee. And then it'll go to public safety. And  
4 then if it passes, hopefully it doesn't pass. But if it  
5 passes that, then it would go to appropriations. But we  
6 have to get it in those policy committees.

7 DR. AGHAKHANIAN: Mr. Jenkins, Mr. Jenkins,  
8 can we just Google doc it for tonight, approve it, send  
9 it out tomorrow with all the amendments?

10 MR. JENKINS: I will accept that.

11 MR. MARTIN: So, if I may make a suggestion, I  
12 know in the past that the way I was able to get that the  
13 letters into the appropriate hands was not just  
14 submitting it through their portal, but actually  
15 reaching out to whoever the consultant was that is  
16 working on it and getting it to that consultant. And  
17 the emails are there, or they're-- the last time I was  
18 able to find the email of the consultant that was  
19 working on it, and I sent it to them directly.

20 MR. JENKINS: And I appreciate Felipe's  
21 comment. And I did that as well on this last one, and  
22 they still reflected that they hadn't seen it, because  
23 that one particular consultant hadn't checked her email.  
24 So, everything we can do. So yes, I'm accepting our  
25 Armond's modifications. But--

1           MR. AMEN: Quick question on the letter. When  
2 we deliver our opposition letter, is it just to the  
3 committee or also in addition to that, all the committee  
4 members separately to their offices?

5           MS. KANE: We would-- repeat your question,  
6 Jemahl?

7           MR. AMEN: When we deliver the opposition  
8 letter, is it just to the committee and expect them to  
9 disseminate it to their members? Or do we also deliver  
10 our opposition letters to those committee members and  
11 their offices separately?

12          MS. KANE: In-- well with COVID it created, as  
13 Mack was just talking about, it was-- we just delivered  
14 them to through a portal. But we haven't, as a Board,  
15 delivered an opposition letter in years and years. .  
16 So, what this process would be, we would deliver it to  
17 the author of the bill, the co-author of the bill, and  
18 then the committee, the actual consultant appointed to  
19 the bill, as well as through the portal.

20          DR. AGHAKHANIAN: Is it okay if you can  
21 provide us with the emails of not only the chairs but  
22 also committee members? So, we can also as Board  
23 Members start emailing them. Because again, the members  
24 will refer it back to the committee and then the  
25 committee person will say, "Oh, I'm sorry I didn't see

1 your email till the last minute."

2 I think if each member here emails each member  
3 separately with the letter, I think that will also help  
4 us. Because if we don't hear back from them, then we  
5 can go back and say, "Hey, we emailed you. You never  
6 replied back to them." Of course that is what the  
7 excuse will be, "I gave it to my consultant." Going to  
8 a consultant, again, sometimes they tend to forget about  
9 certain legislation. So, I'd rather do both ways, and  
10 also hand deliver them and make sure you get the card of  
11 the person that you delivered the letter to saying, I--  
12 you do-- it's like a subpoena, sorry. You know? Kind  
13 of like one.

14 (Laughter)

15 MS. KANE: Like a subpoena?

16 DR. AGHAKHANIAN: No, you know, I'm sorry.  
17 You'd be surprised. These things can easily get  
18 shuffled in an emails depending on the favorability of  
19 the bill and how interested the member is. Especially  
20 when you confront certain members, their ego tends to  
21 sometimes get a little bruised. And you know, again,  
22 we're dealing with human beings here.

23 For me, what this is important is to follow  
24 the process to make sure we don't go through what we  
25 went through, which quite frankly was really humiliating

1 for the Health Committee for not have put our items on a  
2 consent item. It was also insulting to all of us to  
3 have an item that we have written opposition to be on a  
4 consent. Put that on the record by the way.

5 MR. AMEN: So, I would like to point out that  
6 Armond's recommendation to deliver, hand deliver them to  
7 the offices rings true as a former staffer to a member,  
8 as someone who oversaw committees. We all had bill  
9 binders. And every week before we went to our committee  
10 hearings and we went down each of the bill roads, we  
11 looked in our bill binders and every letter that was a  
12 letter that was delivered to us as staffers was in that  
13 bill binder. That was our job. We got fired if we  
14 didn't have all the opposition letters there.

15 Having them in person I think really drives  
16 home the record keeping process, but also holds people  
17 accountable in ways that perhaps the adjustments that we  
18 made during the pandemic have sort of stunted. So  
19 sometimes old-fashioned way is the best way. I'm just  
20 putting it out there.

21 MS. KANE: I agree, I agree. I will go to the  
22 capital and deliver them, hand deliver them myself if I  
23 have to.

24 DR. AGHAKHANIAN: And a basket of muffins.

25 MS. KANE: I agree. Yes. And it's been tough



1 on-- and as we know the Capitol is back in session. But  
2 the last three years, as you know with COVID--

3 DR. AGHAKHANIAN: Yeah.

4 MS. KANE: --they just weren't there. That's  
5 why the portals were created and all of that.

6 MR. DAVIDSON: So can we firm up what the  
7 motion is?

8 MS. KANE: Yes.

9 CHAIR MACOMBER: I think Felipe has one  
10 comment, or maybe more than one. He has a comment.

11 MR. MARTIN: Just real quick, I have a quick  
12 comment. When this bill was reintroduced and the new  
13 author introduced it, I did speak with her staff and  
14 provided them information, as you all know, Michele.  
15 They were under the belief that we still were not  
16 meeting the goals and not doing a lot of things as they  
17 thought. Even though I provided them the information  
18 and showed them how it was really beneficial, and people  
19 were benefiting from it. It's obvious that there's  
20 other motivations.

21 So, we need to make sure, like Jemahl said, to  
22 hand deliver. And Michele and Jemahl, if you both are  
23 able and willing to do that, that's fantastic, and hand  
24 them to either their staff or the actual senators or  
25 whoever it might be, legislatures that are dealing with

1 it. Because that's the only way we're going to make an  
2 impact here.

3 MS. KANE: Got it. I'm good with that.

4 CHAIR MACOMBER: Mack, would you like to  
5 restate your motion?

6 MR. JENKINS: Certainly. I move that we move,  
7 go forward with the letter with the-- including the  
8 suggested edits, revisions as discussed by the Board. I  
9 won't restate each of them individually. That's my  
10 motion.

11 MR. MARTIN: And I still second that motion.

12 BOARD SECRETARY MARION: Okay. All right.

13 And if we're ready to vote, Member Aghakhanian?

14 DR. AGHAKHANIAN: Aye.

15 BOARD SECRETARY MARION: Member Amen?

16 MR. AMEN: Aye.

17 BOARD SECRETARY MARION: Member Davison?

18 MS. DAVISON: Aye.

19 BOARD SECRETARY MARION: Member Jenkins?

20 MR. JENKINS: Aye.

21 BOARD SECRETARY MARION: Member Lopez.

22 MR. LOPEZ: Aye.

23 BOARD SECRETARY MARION: Member Martin?

24 MR. MARTIN: Aye.

25 BOARD SECRETARY MARION: Member Patterson.

1 MR. PATTERSON: Aye.

2 BOARD SECRETARY MARION: Member Quant.

3 MR. QUANT: As I represent the Secretary of  
4 Transportation, I will have to abstain from the vote.  
5 Thank you.

6 BOARD SECRETARY MARION: Understood. And  
7 Member Vaughn. Mr. Vaughn, are you -- can you hear us?

8 MR. VAUGHN: I'm sorry, Aye. I thought I was  
9 on mute.

10 BOARD SECRETARY MARION: Okay. And Vice Chair  
11 Singh? Yes, I saw a thumbs up there. And Chair  
12 Macomber?

13 CHAIR MACOMBER: I abstain.

14 BOARD SECRETARY MARAION: Abstain. All right,  
15 let the record show that the motion passes nine to two.

16 CHAIR MACOMBER: Thank you.

17 MS. KANE: Good, thank you.

18 MR. DAVIDSON: Can I just-- I believe it's  
19 nine-zero with two abstained.

20 MS. KANE: Two abstain.

21 BOARD SECRETARY MARION: Oh, sorry. Okay.

22 CHAIR MACOMBER: All right, we'll move on to  
23 Action Item D. Mr. Davidson?

24 MR. DAVIDSON: Alright, so from my  
25 perspective, we're saving the best for the last here.

1 DR. AGHAKHANIAN: Yes.

2 MR. DAVIDSON: I am excited to talk with you  
3 about our proposal to change the name of the California  
4 Prison Industry Authority. And a few months back on the  
5 day that the governor held his press conference at San  
6 Quentin to introduce the San Quentin Rehabilitation  
7 Center, Michele sent me an article from Politico. This  
8 article was talking about that event and the governor's  
9 proposal.

10 The article was good and in no way was it  
11 disparaging to CalPIA. However, the article mentioned  
12 that the proposal would include an overhaul of the death  
13 row housing unit and a "Prison Industry Authority  
14 warehouse." And as I read this, the Prison Industry  
15 Authority name really stood out to me and not in a good  
16 way. It came across as very negative. And in no way  
17 does it speak to the great rehabilitative work that we  
18 as an organization do. In that moment, it struck me  
19 very strongly that we need to change the name of our  
20 organization, get the word prison out of our title, and  
21 include the word rehabilitation.

22 I shared this idea with our executive team and  
23 there was a united agreement that we should pursue this.  
24 Now I will say I'm not a stranger to an effort like  
25 this, and I know that it's a very heavy lift. I worked

1 at the Business Transportation and Housing Agency when  
2 it went away under Governor Brown's reorganization plan.  
3 And the State Transportation Agency was created, which  
4 Mr. Quant is very familiar with.

5 With the new agency, we had to determine its  
6 new name, a logo, an acronym, and how to pronounce that  
7 acronym. To this day, I'm still amazed at the amount of  
8 time, discussion, and effort that went into coming up  
9 was such a simple name as the California State  
10 Transportation Agency with the acronym CALSTA,  
11 pronounced CAL-stuh, and a simple logo, I believe had an  
12 airplane, a bus, and a train on it.

13 It took us longer to come up with those things  
14 than it did to move forward the legislative package to  
15 create the new agency, and it's my goal to avoid that  
16 lengthy effort for that part of it. Discussions with  
17 our team at CalPIA also came up with a new proposed--  
18 came up with a new proposed name for the-- of the  
19 California Correctional Training and Rehabilitation,  
20 Authority to be referred to as the acronym C-A-L-C-T-R-A  
21 pronounced cal-SEA-truh. This title speaks to our  
22 rehabilitative and job training work.

23 We also have a talented graphic design team  
24 who developed a proposed logo for CALCTRA. And as you  
25 can see, it's up on the screen here, and for those of

1 you in the room have a hard copy of it. And a couple of  
2 things that I want to point out about this logo.

3 First, the general layout, the font and the  
4 color are similar to our existing logo. This will help  
5 people who are familiar with CalPIA today to make the  
6 connection between CalPIA and CALCTRA. Second, you can  
7 see the outline of the state of California. At the top  
8 part of the state, you note the prison bars with the  
9 opening and the individual stepping out of incarceration  
10 and returning to their community, which is represented  
11 by the shadow of a house, which is the southern cal-- or  
12 the southern part of the state.

13 DR. AGHAKHANIAN: Oh, that red part?

14 MR. DAVIDSON: The red part.

15 DR. AGHAKHANIAN: That's Donald Trump's tie.  
16 I'm sorry.

17 MR. DAVIDSON: It represents a house, stepping  
18 out of incarceration, returning to their community. Now  
19 I know that this meaning may not be obviously evident to  
20 a lot of people, such as Dr. Aghakhanian, but I was  
21 happily surprised when I shared it with several of our  
22 staff who had no idea what we were looking to do, and  
23 picked up on that right away without having explained or  
24 even pointed out to them. They picked up on what we  
25 were trying to represent in that logo.

1           And finally, our legal team has reviewed  
2 statutes and identified each of the statutory changes  
3 that will need to be made to change our name. There are  
4 34 different codes that will need to be amended. Eight  
5 in Government Code, 14 in Penal Code, four in Public  
6 Contract Code, two in Public Resources Code, one in  
7 Public Utilities Code, one in the Vehicle Code, and four  
8 in Title 15. And so that will be an effort of us to  
9 make those changes in those codes.

10           So, with this, I request the Board's approval  
11 for us to move forward in taking all of the necessary  
12 steps to change the name from the California Prison  
13 Industry Authority to the California Correctional  
14 Training and Rehabilitation Authority.

15           DR. AGHAKHANIAN: Mr. Chair?

16           CHAIR MACOMBER: Any comments from Board  
17 Members?

18           DR. AGHAKHANIAN: I--

19           MR. JENKINS: Just on the logo piece, first of  
20 all, I like the name and the logo and the whole  
21 presentation. Can you just pull the logo back up for a  
22 quick second? It's probably the artist in me, but my  
23 OCD. But as a question to the graphic designer, was it  
24 intentional for the two side pieces not to be even?

25           DR. AGHAKHANIAN: Ohhh.

1 MR. DAVIDSON: Say that again?

2 DR. AGHKHANIAN: That's a good one.

3 MR. JENKINS: You understand what I'm saying?

4 MR. DAVIDSON: I'm sorry, Troy. I did not  
5 hear. Can you repeat that?

6 MR. JENKINS: At the apex, when it comes up to  
7 creating the house, this-- the side is-- just don't  
8 meet.

9 DR. AGHAKHANIAN: It looks like it's a house  
10 that did not get its--

11 MS. KANE: It's a California shape. That's  
12 what I don't think he's getting.

13 MR. MEEK: So, Bill--

14 MS. KANE: It looks like California.

15 MR. MEEK: So, one, it's to mimic the shape of  
16 California, but also it's a shadow and shadows are not  
17 perfect. They're the angle of the sun that is to be  
18 driving that shadow.

19 MR. JENKINS: Is it your intention to create  
20 some kind of shadow object for it?

21 MR. DAVIDSON: Yeah. So--

22 MR. JENKINS: Was it intentional to do it  
23 this way?

24 MR. DAVIDSON: Yes, it was intentional to do  
25 it this way.



1 MR. JENKINS: Okay.

2 MR. DAVIDSON: Again, it's the shape of  
3 California, mostly the shape of California. I know it's  
4 not a pointed end of a tie at the bottom, but it's to  
5 represent the shape of California and--

6 MR. JENKINS: And a home.

7 MR. DAVIDSON: Correct.

8 MR. JENKINS: Okay.

9 MR. DAVIDSON: Leaving prison, the bars, and  
10 stepping, again.

11 MR. JENKINS: No, I got the communication on  
12 the level.

13 MR. DAVIDSON: Yeah.

14 MR. JENKINS: I just wanted to make sure that  
15 that was an intention

16 MR. DAVIDSON: It was intentional, yes.

17 MR. JENKINS: Alright.

18 DR. AGHAKHANIAN: I like it. By the way, that  
19 person also looks like a keyhole. This is the key to  
20 success, right? There you go. Thank you. He didn't  
21 pay me.

22 MR. DAVIDSON: So, in all sincerity, Ray and  
23 his team, that was one of the other things that they--

24 DR. AGHAKHANIAN: I like it.

25 MR. DAVIDSON: --they mentioned.

1 DR. AGHAKHANIAN: By the way--

2 MR. DAVIDSON: I like the person stepping--4

3 DR. AGHAKHANIA: --that Trump thing was a  
4 joke, for the record.

5 MR. DAVIDSON: But I like the person stepping  
6 out of incarceration.

7 DR. AGHAKHANIAN: Yeah, I like it. Looks  
8 good. And by the way, I love the new name because I  
9 catch flack all the time, because people mistake us with  
10 prison.

11 MR. DAVIDSON: Yes.

12 DR. AGHAKHANIAN: State, federal prisons and,  
13 you know, the whole shebang about it. So, I really like  
14 it.

15 MR. JENKINS: If I may, I really like the  
16 logo. And I commend you Bill, for your vision and  
17 leadership on this. And for, you know, obviously you've  
18 had conversations with people about it and I think it's  
19 right on point to even change the whole imaging around  
20 what we're doing and what we're about and eliminating  
21 the word prison. And I have to say, I did not recognize  
22 that as a house. I thought it was a path forward. I  
23 saw it as the person leaving prison--

24 DR. AGHAKHANIAN: Yeah, I thought it was a  
25 path too.

1           MR. JENKINS: --and an arrow, it was  
2     directional as a path forward. I didn't see it as a  
3     house until the discussion was just here. But it did  
4     land on me in a very positive way.

5           MR. DAVIDSON: To be perfectly candid, I think  
6     that could represent a number of different things, yes.

7           DR. AGHAKHANIAN: Including Donald Trump's  
8     tie.

9           MR. DAVIDSON: Except Donald Trump's tie.

10          DR. AGHAKHANIAN: We'll come back to that for  
11     the rest of my services.

12          MR. DAVIDSON: Say it all the time.

13          DR. AGHAKHANIAN: No, I love it. I  
14     personally, I love it. I'm sorry. I would make the  
15     motion. If-- any more discussions? Or--

16          CHAIR MACOMBER: I'll just say we should  
17     probably give the governor's office a heads up on the  
18     discussion and the planning. I personally don't love  
19     the bars, but I will not stand in the way. I think it's  
20     sends a me-- I think some people will interpret this as  
21     an inmate looking out a window behind bars--

22          DR. AGHAKHANIAN: No.

23          CHAIR MACOMBER: --which is probably not the  
24     message, but there is certain advocates that will  
25     probably view it that way and not view it as--

1 DR. AGHAKHANIAN: That's true.

2 CHAIR MACOMBER: --a house coming out. So.

3 MR. DAVIDSON: And perhaps we make that  
4 character more an actual character taking a step out  
5 rather than--

6 CHAIR MACOMBER: So, that's my two cents. But  
7 I will not stand in the way, but I think that will cause  
8 some concern from some folks.

9 DR. AGHAKHANIAN: Can we just make it--

10 MR. JENKINS: I guess the artist here too, I  
11 mean one of the things I thought to have is a diploma  
12 hat on the person.

13 MR. DAVIDSON: No, that's not educational.

14 MR. JENKINS: The shape of a diploma hat?

15 MR. VAUGHN: I think that's a good idea.

16 MR. JENKINS: --something. And I do kind of  
17 agree with the bars, but I'm not going to, I know some  
18 of my advocate--

19 CHAIR MACOMBER: You understand what I was  
20 saying, right, Troy?

21 DR. AGHAKHANIAN: No, no, that's true  
22 actually. Is it possible that--

23 MR. DAVIDSON: I'm not sure how we avoid that.

24 DR. AGHAKHANIAN: --that actually

25 MR. DAVIDSON: I mean that's just really,

1 right?

2 DR. AGHAKHANIAN: You know, but I-- did

3 MR. DAVIDSON: I mean, that's--

4 DR. AGHAKHANIAN: --I did catch that. That's  
5 a good one. Is it possible we can get a second one with  
6 the bars looking more just a gray, like a kind of a--  
7 make that key a little bigger, and like a half dome  
8 grayish connecting the bars together?

9 MR. JENKINS: I actually think Troy's hat  
10 negates the bars, myself.

11 MR. VAUGHN: Yeah. And listen, like if you  
12 want to do a counter-optic, then on the person that's  
13 coming out-- because we are all about training and  
14 graduating, certificates.

15 MR. JENKINS: Exactly.

16 MR. VAUGHN: You know how you can just put a  
17 diploma hat on the head of a person? It'll give you a  
18 different optical allusion to the bar.

19 MR. JENKINS: I really do. I agree with that.

20 MR. DAVIDSON: So--

21 MR. JENKINS: Because I don't hate the bars.  
22 I respect, Jeff, what you're saying. I get that. But I  
23 think what Troy's saying, if you do that, it really  
24 actually makes the impact that much more powerful, from  
25 my vies.

1           MR. DAVIDSON: So, what we can do-- and I  
2 think Jeff's comment about needing to loop the  
3 governor's office in there, absolutely. I-- that's  
4 something that we cannot not do. And while we do that,  
5 we will work to come up with a couple of different  
6 alternatives to this, to that logo and that design. And  
7 again, my intent and my hope here is that we don't get  
8 bogged down--

9           CHAIR MACOMBER: Yes.

10          MR. DAVIDSON: -- in this. And it's easy to  
11 do. I get it. It's easy to do. And we did it with  
12 CALSTA, but we want to get it right. Right? So we'll  
13 take a little more time and we'll find, come up with a  
14 couple of different alternatives to consider and review  
15 on that.

16          CHAIR MACOMBER: So, what we're doing is  
17 moving forward with the idea to change the name--

18          MR. JENKINS: Yes.

19          CHAIR MACOMBER: --and look at a new logo  
20 going forward.

21          MR. JENKINS: Correct.

22          CHAIR MACOMBER: Not the actual one. And  
23 also--

24          MR. JENKINS: I'm good with the name.

25          DR. AGHAKHANIAN: Yeah, the name change.

1 MR. DAVIDSON: Yeah.

2 DR. AGHAKHANIAN: I think everyone agrees.

3 Name change is great. Right? I have no problem with  
4 the change of name.

5 MR. DAVIDSON: So that is our proposal. Our  
6 proposal isn't necessarily the logo.

7 CHAIR MACOMBER: The logo, it's the name.

8 MR. DAVIDSON: It's the name.

9 MR. JENKINS: Yes.

10 MR. DAVIDSON: To move forward with the name,  
11 pending governor's office approval.

12 CHAIR MACOMBER: And I'll also say, when I  
13 first got it, I thought this might have been a flag. It  
14 was like-- that was when I first saw it. Then it  
15 clicked to, you know, 'cause it has kind of a--

16 MR. DAVIDSON: California--

17 CHAIR MACOMBER: Yeah.

18 MR. DAVIDSON: --shape.

19 CHAIR MACOMBER: Yeah. Someone had a comment.

20 MR. AMEN: I was just going to suggest that  
21 we-- I like the logo. And whatever the final iteration  
22 is, I was going to suggest that we provide the  
23 governor's office with at least three different  
24 prototypes.

25 MR. DAVIDSON: Yeah.

1           MR. AMEN: Tweak here and there, and they can  
2 choose from those. It's better to have selections than  
3 to have someone else do what we're doing now and  
4 continue tweaking it in perpetuity. But yeah, I support  
5 the name change. My little artist in me was going to  
6 say, if we make the diploma hat black, it'll stand out  
7 more and that'll be the focus piece of, you know, them  
8 stepping out with a degree or a certification. But, you  
9 know, I would leave that up to you.

10           CHAIR MACOMBER: All right.

11           MR. MARTIN: I would actually make it red.  
12 Only because you're stepping into a red zone. You're  
13 graduating, moving out of the bars and then to the home.

14           MR. DAVIDON: Yeah.

15           MR. AMEN: I would defer to you all, but as  
16 long as we have three iterations for the governor's  
17 office to consider, I think we're in a good place.

18           DR. AGHAKHANIAN: See what happens when people  
19 use Canva? Everyone becomes a graphic designer.

20           (Laughter)

21           DR. AGHAKHANIAN: Damn Canva.

22           MR. AMEN: Great job Jeff, and team and--

23           DR. AGHAKHANIAN: Looks great, I love it.

24           MR. AMEN: --everyone else that can

25 contributed to this. Fantastic.



1           MR. MARTIN: Hear, hear. I think it's really  
2 well done. This is great.

3           CHAIR MACOMBER: All right. Before we do a  
4 motion, I'll move on to the public comments. Would any  
5 member of the public like to make a comment regarding  
6 this item? As a reminder, if any member of the public  
7 would like to make a comment regarding this item, please  
8 have a speaker request form filled out and then come  
9 forward and state your name and affiliation. For any  
10 member of the public who is in virtual attendance,  
11 please dial star-nine to raise your hand to speak. Our  
12 meeting organizer will place you in order and will call  
13 out your name and/or the last four digits of your phone  
14 number when it is your time to speak. Please state your  
15 name and affiliation so that we can make note in our  
16 records. Each speaker will be limited to two minutes  
17 for public comment. Noting no public comment. Is there  
18 a motion?

19           DR. AGHAKHANIA: So, moved.

20           CHAIR MACOMBER: Do we have a second?

21           MR. PATTERSON: Second.

22           CHAIR MACOMBER: Board secretary, please call  
23 the roll.

24           BOARD SECRETARY MARION: Okay. Member  
25 Aghakhanian?

1 DR. AGHAKHANIAN: Aye.

2 BOARD SECRETARY MARION: Member Amen?

3 MR. AMEN: Aye.

4 BOARD SECRETARY MARION: Member Davison?

5 MS. DAVISON: Aye.

6 BOARD SECRETARY MARION: Member Jenkins?

7 MR. JENKINS: Aye.

8 BOARD SECRETARY MARION: Member Lopez.

9 MR. LOPEZ: Aye.

10 BOARD SECRETARY MARION: Member Martin?

11 MR. MARTIN: Aye.

12 BOARD SECRETARY MARION: Member Patterson.

13 MR. PATTERSON: Aye.

14 BOARD SECRETARY MARION: Member Quant.

15 MR. QUANT: Aye.

16 BOARD SECRETARY MARION: Member Vaughn.

17 MR. VAUGHN: Aye.

18 BOARD SECRETARY MARION: Vice Chair Singh?

19 Yes, okay. And Chair Macomber?

20 CHAIR MACOMBER: Aye.

21 BOARD SECRETARY MARION: Motion passes 11 to

22 zero.

23 CHAIR MACOMBER: Thank you. We will now move

24 on to the portion of the meeting reserved comment

25 regarding items done on the agenda. Under the Bagley-

1 Keene Act, the Board cannot act on items raised during  
2 public comment, but may respond briefly to statements  
3 made or questions posed, or it may request clarification  
4 or refer the item to staff.

5 Would anyone like to make a comment or address  
6 the Board? Seeing no one? No public comments.

7 This concludes our Prison Industry Board  
8 Meeting on June 20th, 2023. Is there a motion to  
9 adjourn the meeting?

10 MR. QUANT: So, moved.

11 CHAIR MACOMBER: A second?

12 MR. JENKINS: Second.

13 CHAIR MACOMBER: All in favor?

14 BOARD MEMBERS: Aye.

15 CHAIR MACOMBER: This motion carries. This  
16 concludes our meeting, and we are adjourned at 12:33  
17 P.M. Thanks everybody, great to see y'all.

18 (Whereupon the meeting was adjourned at 12:33  
19 P.M.)

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