

BOARD MEETING
OF THE
CALIFORNIA PRISON INDUSTRY AUTHORITY

Held in person and via Zoom

CALIFORNIA PRISON INDUSTRY AUTHORITY
California PIA Showroom
2125 19th Street
Sacramento, California 95818

TUESDAY, JUNE 25, 2024

10:00 A.M.

Transcribed By:
Melinda Marion
Board Secretary
California Prison Industry Authority

APPEARANCES

Board Members (*present via teleconference)

Jeff Macomber, Chair
Armond Aghakhanian
Dawn Davison
Michael Lopez*
Felipe Martin*
Katherine Minnich
Carlos Quant
Troy Vaughn*
Eddy Zheng*

Staff Present

William Davidson, General Manager
Melinda Marion, Board Secretary
Ray Meek, Assistant General Manager, Marketing and
Regulatory Compliance Division
Suzie Changus, Chief Assistant General Manager
Michele Kane, Assistant General Manager, External
Affairs
Nicole Collins, Assistant General Manager, Operations
Natalie McCorkle, Chief Financial Officer

Public Comment

INDEX

	Page
1. Call to Order - Jeff Macomber, Chair	4
2. Roll Call - Melinda Marion, Board Secretary	4
3. Chair and Board Comments- Jeff Macomber, Chair	6
4. Closed Session	6
5. General Manager Comments- William Davidson, General Manager	7
5. Action Items	
a. Closure of e-WASTE Enterprise: - 24-0625-472-AI Nicole Collins, Assistant General Manager, Operations Division	15
b. Approval of CALPIA's Proposed Annual Plan for Fiscal Year 2024-25: - 24-0625-473-AI William Davidson, General Manager & Natalie McCorkle, Chief Financial Officer	22
c. Approval of CALPIA's Designation of Cash to Support Fiscal Year 2024-25 Annual Plan: - 24-0625-474-AI William Davidson, General Manager & Natalie McCorkle, Chief Financial Officer	48
6. Information Items	
a. Enterprise Development Subcommittee Update: - 24-0625-560-II Nicole Collins, Assistant General Manager, Operations Division & Ray Meek, Assistant General Manager Marketing and Regulatory Compliance Division	51
8. External Affairs Update Michele Kane, Assistant General Manager, External Affairs	56
9. Public Comment	59
9. Adjournment	61

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

2 June 25, 2024 10:01 A.M.

3 CHAIR MACOMBER: Good morning, everybody, I
4 we're going to call this meeting of the Prison Industry
5 Board to order at 10:01 a.m. I would like to note that
6 this meeting is being held in a publicly noticed
7 location. We will begin by asking the Board secretary to
8 please call the roll.

9 BOARD SECRETARY MARION: Alright. Good
10 morning, everyone. I will go ahead and start. Chair Jeff
11 Macomber?

12 CHAIR MACOMBER: Here.

13 BOARD SECRETARY MARION: Vice Chair Darshan
14 Singh?

15 Absent. Member Armond Aghakhanian?

16 MEMBER AGHAKHANIAN: Present.

17 BOARD SECRETARY MARION: Member Dawn Davison?

18 MEMBER DAVISON: Here.

19 BOARD SECRETARY MARION: Member Michael Lopez?

20 MEMBER LOPEZ: Here.

21 BOARD SECRETARY MARION: Member Felipe Martin?

22 MEMBER MARTIN: Present.

23 BOARD SECRETARY MARION: Member Katherine
24 Minnich?

25 MEMBER MINNICH: Here.

26 BOARD SECRETARY MARION: Member Kyle Patterson?

1 I don't see him.

2 BOARD SECRETARY MARION: Member Carlos Quant?

3 MEMBER QUANT: Here.

4 BOARD SECRETARY MARION: Member Troy Vaughn?

5 Okay I will call that again, Member Troy Vaughn? Okay,

6 we will come back to him. Member Eddy Zheng?

7 MEMBER ZHENG: Present.

8 BOARD SECRETARY MARION: I will call Mr. Troy

9 Vaugh again. Member Troy Vaughn are you here?

10 MEMBER VAUGHN: Yes.

11 BOARD SECRETARY MARION: Thank you very much.

12 Alright, let the record show that we have a quorum of

13 nine members.

14 CHAIR MACOMBER: Thank you. So, I would like

15 to welcome Board members and attendees today and thank

16 you for being here today at the Prison Industry Board

17 meeting. I would like to note that this board meeting is

18 being conducted both in person here at CALPIA and via

19 teleconference pursuant to the provisions outlined in

20 Senate Bill 544. If any member of the public would like

21 to comment, please fill out a speaker request form and

22 hand it to the Board Secretary. For any members of the

23 public who are online right now who would like to

24 comment, we will give out further instructions on how to

25 raise your hand and let the organizer know how you would

26 like to speak. I would request that everyone announces

1 their full name and affiliation, if necessary, before
2 speaking so there is no confusion. Each speaker will be
3 limited to two minutes for public comment.

4 I would now like to open up the floor for any
5 opening remarks from the Board members. Would any Board
6 member like to share any opening comments? Anyone
7 online? Seeing none. We are going to move into a closed
8 session at this time. The board will now recess for a
9 closed session. The board will discuss in closed session
10 a matter regarding the appointment, employment, or
11 performance evaluation of a public employee pursuant to
12 government code section 11126 subsection (a)(1) in a
13 pending litigation pursuant to government section 11126
14 subdivision (e)(1). We will also place the Board members
15 into a breakout room where they will meet separately. To
16 ensure that all board members have joined in the
17 breakout room, I will ask the Board Secretary to call
18 roll once again. Once the session is complete, the
19 members will join back into the regular meeting. If any
20 member of the public would like to comment on a closed
21 session item, please press star nine at this time.

22 CLOSED SESSION LASTS UNTIL 11:54 AM

23 CHAIR MACOMBER: Thank you for your patience
24 everyone, this meeting is now reconvened and the closed
25 session has ended. The Board voted to recommend a pay
26 increase for the General Manager during the closed

1 session. The Board is commencing the opening session,
2 and we will move on to the General Manager's comments,
3 but before the General Manager starts his comment, at
4 this time due to prior engagements I must exit the
5 meeting. I am transferring over the role of Chair to
6 Prison Industry Board member Dawn Davison. Ms. Davison
7 will carry out the remainder of this meeting in my
8 absence. Thank you, Dawn, and I will turn it over to
9 Bill.

10 MR. DAVIDSON: Thank you and yes thank you
11 everybody for your patience and for your diligence in
12 this meeting. I know it's been a bit of an
13 [indiscernible] first two hours but thank you for
14 sticking with this. I will try to be very brief in my
15 comments today, but I do just want to just let you know
16 at the next upcoming Board meeting a couple of things
17 that we will provide some information items on, and one
18 is the name change. I know at this meeting a year ago
19 the Board approved the name change to the California
20 Correctional Training and Rehabilitation Authority.
21 Subsequent to that meeting, we did submit a Governor's
22 Office Action Request (GOAR) because we also need to get
23 the Governor's approval on that, and the Governor's
24 office did approve that request with the effective date
25 of January 1st of 2026. So, we still have about a year
26 and a half to make that happen, which I think it's a

1 good thing. I think that is an appropriate amount of
2 time to make that happen. What I look forward to sharing
3 with you at the next board meeting is some of the
4 details and specifics of things that we have done
5 already and things that we are working on. I think we
6 will be very well positioned at that point in time to
7 make that transition and that change, again more
8 information will be shared at our upcoming board
9 meeting. Also, we will share with you an update on the
10 implementation, as we have shared with you in prior
11 Board meetings of our Sage project, which is the
12 replacement of our Enterprise Resource Planning or our
13 ERP system which is well underway. Again, just high
14 level, we are targeting a March 2025 full implementation
15 across the organization. We will give you some more
16 details and specifics at our next Board meeting.

17 And then a couple things that we are engaged
18 in, there are some programs that I am very excited
19 about. Again, there are not a lot of details yet because
20 we are in the early stages of it, but I want to let the
21 Board know that these are things that we are working on.
22 And the first one, shortly after our last board meeting,
23 and thank you Ms. Davison for your help with directing
24 on this, we had a meeting with Angela Kent who is the
25 director of the female operations, Female Offender
26 Programs Services, the FOPS area at CDCR. As you know we

1 shut down the culinary program at the Folsom Women's
2 Facility when that facility closed but we still have all
3 the equipment and all the efforts to stand that up at
4 another location. So, we met with Ms. Kent and talked
5 about, I think in a perfect world for her, we would have
6 been able to do culinary programs at both of the female
7 institutions - at CIW and CCWF - we can't do that right
8 now, but we did commit to looking into doing it at one
9 of those two institutions. So subsequent to that initial
10 meeting we have gone out and visited both of those
11 locations. One of the key issues is which institution
12 has the appropriate space to make that happen because
13 you can't just put up a culinary program anywhere. It
14 has to have the appropriate connectivity and also the
15 incarcerated individual population to be able to support
16 that program. And so, in those efforts it was identified
17 at CIW that there is a great location and a great space
18 there to stand up a culinary program. And so, we are
19 working with the institution and with Ms. Kent and her
20 team on the FOPs side to make that happen. We did not,
21 and we will talk about our Annual Plan in a few minutes,
22 but we did not build that into our budget for our
23 upcoming fiscal year because we just don't know what the
24 timing will be on that. But our intent is when we get
25 some more details and specifics, probably at the
26 December Board meeting when we do the midyear revise, we

1 will share whatever the plans may be for this current
2 fiscal year because our hope and our effort will be for
3 that to happen this fiscal year. And again, we just
4 don't know the timing on that yet, but we are pretty
5 excited to be moving forward with standing a culinary
6 program, a CTE program back up at CIW.

7 And then the second thing I wanted to share
8 with you, we had a meeting two weeks ago with Ron
9 Broomfield who is the director of adult institutions at
10 CDCR and with Amy Casias who is the Director of
11 Department Rehabilitative Programming at CDCR about a
12 Joint Venture opportunity that we have at the San
13 Quentin rehabilitation center. We want to stand up and
14 operate kind of a coffee shop or a café there at the San
15 Quentin rehabilitation center and so we talked to them
16 about doing that and PIA running a Joint Venture Program
17 (JVP) there for that, and everyone was excited and on
18 board with that. So again, we have had that initial
19 meeting. Secretary Macomber agreed to go in that
20 direction and that approach. Rusty and myself actually
21 have a meeting tomorrow with a potential partner on that
22 Joint Venture. And so, we will meet with them tomorrow,
23 again not certain if they will ultimately be the partner
24 but I'm sure we will be successful in identifying and
25 working with the right Joint Venture to stand that up.
26 And again, we will have more details to share with you

1 as we move forward with this. We still don't know at
2 this point what the certifications and apprenticeships,
3 those types of things, what the specific exact work of
4 the incarcerated folks in the Joint Venture will be. We
5 are in the process of working all of that out, but it is
6 something that I think is important to share with the
7 Board that we are moving in that direction, and we are
8 very excited and looking forward to moving forward with
9 that.

10 MEMBER AGHAKHANIAN: Is that an actual coffee
11 shop? Within the... Or is it to produce coffee?

12 MR. DAVIDSON: It will be a coffee shop; it
13 will be kind of like a mini-Starbucks kind of place in
14 there. It won't be like our coffee enterprise or
15 anything like that, it will be an actual coffee shop.

16 ACTING CHAIR DAVISON: Will there be an issue
17 with the Department of Rehab or anything like that? Like
18 I know there used to be I don't know, working in um...

19 MR. DAVIDSON: No, we should be fine. When I
20 was at DMV for example, we had a little store down in
21 there that was um, operated by... they had folks there
22 that...

23 ACTING CHAIR DAVISON: Department of Rehab
24 folks...

25 MR. DAVIDSON: Yes, we are good. Yep. So, any
26 other questions or comments on those? Again, we will

1 continue to share information as we flush this out. We
2 are in the very early stages on both of these efforts,
3 but I want folks to know that we are moving that way.

4 And the last thing I wanted to share, I wanted
5 to thank Board Member Minnich and Board Member Patterson
6 who I don't believe is able to join us today, but two
7 weeks ago on June 12th at Solano, we held a kickoff event
8 for our Entry to Employment (E2E) program, and I know
9 Ms. Davison was also going to be there but changes
10 prevented her from being there but we know you were
11 there with us in spirit. But it was a great event, and
12 to be honest the morning of, I was still kind of
13 wondering what exactly this event is about. We
14 implemented the Entry to Employment program a couple
15 months ago, we rolled it out at a few institutions, what
16 really are we kicking off? But it was a great event. It
17 really just emphasized what it is that the Entry to
18 Employment program is all about, and we had a lot of
19 participation. A lot of other state agencies, other
20 stakeholder partners that were there to support that
21 program. In fact, we had EDD was there, Gov Ops agency
22 was there, Katherine and some of her team from DGS -
23 General Services were there. We had a lot of CDCR
24 support including the Director of Adult Parole
25 Operations, Jason Johnson was there. Caltrans was there.
26 The statewide California Workforce Development Board was

1 there, and we had GEO solutions there. And it was just a
2 great event to recognize and acknowledge this effort and
3 this program. Today I can tell you we have the E2E
4 program up and running at 8 institutions, by the end of
5 this year we will be at 13 institutions statewide, and
6 then the remaining institutions by the end of next year
7 will be up and running. Today we have of those 8
8 institutions, 67 individuals who are enrolled in the
9 program. We have 103 different jobs that have been
10 applied for. 19 individuals who enrolled in the program
11 while incarcerated have returned home and are still
12 enrolled in the Cal JOBS program, still in that effort
13 which I think is great, because they probably would not
14 be if they had not enrolled in that program while they
15 were still incarcerated. And of course, we have our one
16 success story that I think Rusty talked about at our
17 last board meeting. A gentleman named Doug Woodall, who
18 was from Solano, was incarcerated at Solano, he was one
19 of the initial entries of this program. He was released
20 from prison on April 17th on a Wednesday, that Monday
21 April 22nd, he started work with a company that he had
22 applied for and received a job offer while he was
23 incarcerated through this program, and so we are able to
24 share all of that. And that event had great media
25 coverage there as well. And I know Michele has shared
26 some of these stories, but I think it is important that

1 we all take a minute now and we are going to show -
2 Channel 13 was one of the stations that was there to
3 cover the event, and what was kind of neat was the
4 reporter Ashley Strong. She was there and she came to do
5 a story and she told Michele afterwards she said "There
6 is no way I can do this in one story, there is just too
7 much here" so she did a two part story, that Wednesday
8 night and then the following night on Thursday she did a
9 two part story - and they're not long segments, it's
10 pretty brief but I think that it is important that from
11 time to time we all just take a minute - I mean this is
12 what we are about at CALPIA, and so we will just take a
13 minute or two and see this story again.

14 PLAYING CHANNEL 3 NEWS STORY FOR 7 MINUTES

15 MR. DAVIDSON: So, I just wanted to again take
16 another moment to view that because it's just... It's
17 probably the 16th time I'm seeing that. It's been great
18 for everybody who has been involved in making that
19 happen. I know it's going to continue to... I mean Doug is
20 our first of what will be many to benefit greatly from
21 that program. So that is what I wanted to share and
22 thank you.

23 ACTING CHAIR DAVISON: That's great. Did Mr.
24 Basso get out yet?

25 MR. DAVIDSON: So, at the time of that filming
26 two weeks ago, he said he had 70 days. So, he should be

1 down to about 8 weeks from now.

2 ACTING CHAIR DAVISON: We will want to know if
3 he got a job.

4 MR. DAVIDSON: Oh absolutely. Absolutely. Yep.

5 ACTING CHAIR DAVISON: Thank you for your
6 comments and that is so inspiring. And again, we will
7 want to know.

8 MR. DAVIDSON: For sure.

9 ACTING CHAIR DAVISON: Okay so we will go to
10 action item number A. And back to you...

11 MR. DAVIDSON: Great thank you. So here to
12 present action item A is Nicole Collins, Assistant
13 General Manager for Operations.

14 MRS. COLLINS: Good afternoon, Ms. Chairperson
15 and members of the Board. My name is Nicole Collins, I
16 am the Assistant General Manager for Operations for
17 California Prison Industry Authority, and today I will
18 be presenting Board action item A covering operational
19 efficiencies. It is action item A in your folder if you
20 guys want to follow along. The program was initially
21 established in 2013 to provide a solution for state
22 agencies to dispose of electronics while using CALPIA's
23 current infrastructure. The program was intended to
24 offer reduced carbon footprint for pickup and disposal,
25 recycling of all eligible materials, and repurposing of
26 potential laptop items. The e-WASTE enterprise most

1 recently had a presence at California Prison Industries'
2 On Time Delivery (OTD) warehouse in Sacramento. The
3 e-WASTE enterprise provided state agencies with a
4 solution for the disposing of electronic waste generated
5 by their departments. CALPIA would collect and
6 facilitate recycling and refurbishment of the electronic
7 waste. Initially, the program was able to establish a
8 reciprocity agreement where recycling credits were used
9 towards refurbishment of laptops to provide incarcerated
10 workers with usable laptops for various study needs. The
11 e-WASTE enterprise does not sell any products or
12 services but uses the recycling funds or reimbursements
13 and the refurbished laptops to offset operating
14 expenses. CALPIA uses the current infrastructure to
15 collect transport and store electronic waste. e-WASTE is
16 not able to offset expenses and is an ongoing expense to
17 CALPIA. During the past 4 fiscal years e-WASTE has
18 averaged a loss of over \$120,000 annually. In addition
19 to the fiscal impact, we also consider the CALPIA
20 mission of providing programs to incarcerated
21 individuals, transportation costs and logistics, annual
22 reporting, and third-party certifications. OTD no longer
23 utilizes incarcerated individuals due to the reduced
24 minimum custody population. There are currently zero
25 budgeted incarcerated individuals for the e-WASTE
26 enterprise. e-WASTE does not have an allocated

1 transportation budget, and all costs are therefore
2 absorbed by other enterprises. OTD only has daily routes
3 to CDCR for food products. e-WASTE cannot be on the same
4 truck as foods and some chemicals because of the hazmat
5 regulations. Once e-WASTE is loaded onto a trailer, it
6 cannot be offloaded or cross docked or consolidated due
7 to security. It remains on the trailer until unloaded
8 directly into a secured e-WASTE area at OTD. This
9 creates logistical issues and impacts efficient
10 transportation and distribution of CALPIA products.
11 Third-party certifications are mandatory and require a
12 third-party auditing which contributes to the cost of
13 the program. Since CALPIA established the e-WASTE
14 enterprise, other available options have been afforded
15 to state agencies to dispose of computer related items.
16 This has drastically reduced the availability of
17 refurbished materials. Specifically, items like laptops
18 can now be directly donated to schools and certain
19 nonprofit organizations and does not require the
20 refurbishment reciprocity agreement with CALPIA. This
21 has provided real-time access to our schools but has
22 reduced the availability for refurbishment of laptops.
23 In addition to direct donations, state agencies can now
24 directly sell their e-WASTE and collect the recycling
25 fees to help offset their operating costs. This feature
26 was added to the online auction site known as Gov Deals,

1 where state agencies can list property for disposal and
2 sell to the highest bidder. The Department of General
3 Services (DGS) does require all other items that are not
4 directly donated or sold through Gov Deals to be
5 filtered through CALPIA. In addition to this
6 requirement, CALPIA has provided marketing materials.
7 We've done advertising on the side of our CALPIA trucks,
8 marketing brochures, and sales meetings with customers
9 to try to boost the incoming e-WASTE. However, the two
10 direct options for disposal, donation and online,
11 reduced the need for CALPIA service to collect, recycle,
12 and repurpose, e-WASTE. Due to the changes, and as
13 positions specifically for e-WASTE have become vacant,
14 e-WASTE duties have been redistributed to existing on-
15 time delivery staff. Therefore, there will be no direct
16 position impact with Civil Service staff. Based on the
17 information provided, we request your approval for the
18 e-WASTE enterprise closure to begin July 1, 2024, and be
19 completed by December 31, 2024, and thank you for your
20 time.

21 ACTING CHAIR DAVISON: Thank you, Nicole. Do
22 any Board members have any comments or questions?

23 BOARD MEMBER AGHAKHANIAN: Nicole, as much as I
24 don't like this report and would hate to see this
25 program go, I would like to make a correction when it
26 comes to the donation facets. As far as I know, based on

1 my behalf and surrounding area, no one would take a
2 donated laptop. What we give our students, especially
3 when the Pandemic was brand new. And if it's donated,
4 since I also work at the largest community college in
5 the state, it goes to another company. They take it,
6 refurbish it, and then sell it back to the district on a
7 profit margin. So, I want to be very clear that no one
8 in education in institutions was directly taking a used
9 laptop. Just the battery itself to be replaced, that's
10 custom. So as much as we are hearing that the government
11 agencies are not just donating... doesn't work like that.
12 No education institution would just take a laptop
13 directly, give it to students. They have to run them.
14 That's what we did so, fixing them, running the
15 diagnosis. So, I just wanted to make a correction on
16 that factor. I also know there's a lot of agencies out
17 there, private agencies, who buy these laptops for gold
18 or other precious metals, it's a big industry. So, I
19 just want to be clear on, you know why... some of the
20 reasons why there has been a reduction. I hate to see
21 this go. I understand, but I also... we might want to go
22 and tell our friends when they are donating that it's
23 not... it is not as simple as that is. I can tell you what
24 company the largest community college system in the
25 United States uses, they use a different company who
26 takes the refurbishment and sells it back to them. Or we

1 get brand new ones.

2 MR. DAVIDSON: See one of the things that I can
3 share. I candidly have a little bit of heartburn with
4 this as well, and you know we've been looking at this
5 honestly for the past couple of years because you know,
6 as Nicole mentioned, we lose an average of \$120,000 a
7 year, some years obviously more than that. But it has,
8 or had, great potential. And so, we kept putting forth
9 effort. Well, "let's try this. Let's try this". And we
10 just were not getting other state agencies to donate
11 their used surplus stuff to us. So again, we just kept
12 dumping money into it. But I mean, if there were any way
13 that we could have maintained and kept it going. We've-

14 MEMBER AGHKHANIAN: My hope is that - and I am
15 getting heartburn - but my hope is that the agencies
16 might tell you they are directly - they're not. I want
17 to look into that downfall if possible because again no
18 district would just take a laptop. We don't. I mean
19 you've seen the budget for K12 and colleges. There is no
20 money to refurbish. What's happening is I either turn it
21 over to a third company, though our third company has
22 already kind of gotten a whiff of this, so they're
23 making money off of this, by just taking them, fixing
24 them, selling them back to the district or
25 [indiscernible] - so my hope is that maybe we can go
26 back at some point and say "hey do you know what happens

1 to those laptops that you directly donate to the
2 districts?" and maybe we can look into it again. Because
3 again I don't - we don't want a pandemic again to really
4 rely on what needs to happen. I don't want to bring up
5 that word, but you never know.

6 MR. DAVIDSON: Duly noted.

7 ACTING CHAIR DAVISON: Anybody else? Okay,
8 thank you. Would any member of the public like to make a
9 comment regarding this item? As a reminder, if any
10 member of the public would like to make a comment
11 regarding this item, please have a speaker request form
12 filled out and then come forward and state your name and
13 affiliation. For any member of the public who is in
14 virtual attendance- please dial star 9 to raise your
15 hand to speak. Our meeting organizer will place you in
16 order. We'll call out your name and or the last 4 digits
17 of your phone number when it is your time to speak.
18 Please state your name and affiliation so that we can
19 make note in our records. Each speaker will be limited
20 to 2 min for public. Anybody?

21 BOARD SECRETARY MARIOIN: I don't see anybody.

22 ACTING CHAIR DAVISON: Okay, do I have a motion
23 to approve action item A?

24 MEMBER MARTIN: Motion.

25 MEMBER QUANT: Motion.

26 MEMBER VAUGHN: I'll second the motion.

1 CHAIR DAVISON: Okay Board Secretary, please
2 call the room.

3 BOARD SECRETARY MARION: Okay. Acting Chair
4 Dawn Davison?

5 ACTING CHAIR DAVISON: AYE.

6 BOARD SECRETARY MARION: Member Aghakhanian?

7 MEMBER AGHAKHANIAN: Regretfully, aye.

8 BOARD SECRETARY MARION: Member Lopez?

9 MEMBER LOPEZ: Aye.

10 BOARD SECRETARY MARION: Member Martin?

11 MEMBER MARTIN: Yes.

12 BOARD SECRETARY MARION: Member Minnich?

13 MEMBER MINNICH: Yes.

14 BOARD SECRETARY MARION: Member Quant?

15 MEMBER QUANT: Yes.

16 BOARD SECRETARY MARION: Member Vaughn?

17 MEMBER VAUGHN: Aye.

18 BOARD SECRETARY MARION: And Member Zheng?

19 MEMBER ZHENG: Aye.

20 CHAIR DAVISON: The motion carries.

21 BOARD SECRETARY MS. MARION: The motion carries
22 8 to 0.

23 ACTING CHAIR DAVISON: Okay, Mr. Davidson,
24 action item B.

25 MR. DAVIDSON: Here to share our action item B,
26 our Annual Plan, is our Chief Financial Officer, Natalie

1 McCorkle, who is super excited... [indiscernible]

2 MS. MCCORKLE: Yes, I am. I've been in the
3 backseat for a very long time, so this is my first time
4 up here.

5 ACTING CHAIR DAVISON: Welcome.

6 MS. MCCORKLE: Thank you. Alright. So good
7 afternoon. Today we will be discussing the proposed
8 Annual Plan for Fiscal year 24/25, which is Action Item
9 B. I'd like to begin with the subcommittee update. We
10 met on Tuesday, June 18th as the Finance and Audit
11 Subcommittee, where we reviewed with Board members
12 Martin, Singh and Vaughn, the fiscal year 24/25 Annual
13 Plan which included the financial plan, enterprise
14 overview, incarcerated individual assignments, and the
15 designation of cash. Within that discussion we got into
16 details regarding the revenue, expenditures by line item
17 and gross profit. The proposed Annual Plan for fiscal
18 year 24-25 includes total projected revenue of 276.5
19 million dollars, total proposed costs to goods sold of
20 220.2 million dollars, with a gross profit of 56.3
21 million. Selling and administration costs of 47.9
22 million of which 31.1 is essential office support and we
23 have 16.8 million dollars budgeted for distribution and
24 transportation. We also have incarcerated individual
25 development programs at 5.3 million dollars for an
26 overall proposed net operating income of \$800,000. This

1 budget includes a CALPIA wide general salary increase
2 which is effective July 1st. Agreements for the new
3 contract went into effect last September of 2023, and it
4 was a three fiscal year contract starting in 23/24 and
5 ending in fiscal year 25/26. The projected revenues
6 totaling 276.5 million is 18 million dollars more than
7 our current fiscal year. The revenue forecast is based
8 on a projected average incarcerated population of 91,000
9 for the year which is 2,000 less than this current
10 fiscal year. An increase in revenue from the current
11 fiscal year is projected primarily for the following
12 enterprises. 17.2 million-dollar increase for Healthcare
13 Facilities Maintenance or HFM, primarily due to the
14 expansion of the Psychiatric Inpatient Program which is
15 known as PIP at the California Medical Facility, CMF.
16 California Correctional Healthcare Services (CCHCS) and
17 CALPIA are in the process of finalizing the agreements
18 for CALPIA to provide custodial services for the PIP at
19 CMF which goes into effect November 1st of 2024. However,
20 we will begin the transition soon. We also, for the
21 increase in revenue, have a proposed 1.4 million dollar
22 increase in Shoes, a million dollar increase in License
23 Plates, a million increase in Bindery and a 1 million
24 dollar increase in Optical. However, we do expect a few
25 enterprises to incur a reduction in revenue which is
26 primarily due to the reduced inmate population within

1 the institutions as well as enterprise closures. These
2 included a 1.7 million dollars decrease in Crops due to
3 the enterprise closure which is effective June 30th of
4 2024. 1.3 million dollars decrease in Modular
5 Construction, a million dollar decrease in Mattress and
6 a million dollar decrease in Food and Beverage
7 Packaging.

8 MEMBER AGHAKHANIAN: I have a question, so for
9 modular, why the decrease on that? I thought there were
10 talks about passing for mini homes and [indiscernible].

11 MR. DAVIDSON: So, we do not have any contracts
12 or bids to do any tiny homes and the reason for the
13 decrease is because, and again this is comparing the
14 23/24 Annual Plan with our proposed 24/25 Annual Plan.
15 And in the current Annual Plan we had close to 4 million
16 dollars for the three, primarily for the three buildings
17 at CSP SAC and funding or the revenue that we have
18 projected for 24/25 is to finish up those buildings so
19 that less than the 4 million or so that we had last
20 year. But at this point we don't have any orderly there-

21 MEMBER AGHAKHANIAN: Is there anything in the
22 pipeline and so let's say, they come back, say can I use
23 a bunch of bond money to start acquiring mini homes. Do
24 we have the capacity of...

25 MR. DAVIDSON: Do we have capacity? Yes, we
26 absolutely have the capacity. We have had many

1 conversations with city and county folks in Sacramento
2 County to do tiny homes.

3 MEMBER AGHAKHANIAN: And the main revise came.

4 MR. DAVIDSON: But the, there's just never been
5 any traction to make that happen. We would love to do
6 that.

7 MEMBER AGHAKHANIAN: Yeah, I think we should
8 look into that because I keep hearing back and forth
9 that its settled. One of them really, I forgot his name
10 but then the main reason and I think there's still
11 possibilities, I can tell you that LA has a big bond to
12 do it. I don't know. It's funny. You could look into if
13 there's anything upcoming. There is a very serious
14 problem.

15 MR. DAVIDSON: Yeah, there's been serious talk
16 about it for a number of years and action becomes
17 another...

18 MEMBER AGHAKHANIAN: So, to the millions of
19 viewers out there watching this. We do have the
20 capacity.

21 MR. DAVIDSON: Yes, we do. And again, I would
22 invite any of you if you have an opportunity - and Mr.
23 Martin last month came out - but come check out the
24 modular building area that we have, it is a pretty
25 impressive work area that we have there.

26 MEMBER AGHAKHANIAN: We will talk more on this,

1 [indiscernible] type of recording. Send over the video.

2 MS. MCCORKLE: Alright. The proposed budget for
3 total cost of goods sold is 220.2 million dollars. The
4 primary increase again is for the CALPIA-wide... is due to
5 the general salary increase which goes into effect July
6 1st. Also, the Crops enterprise closure. We began this
7 closure in the current fiscal year, so the 24/25 Annual
8 Plan does not include a budget for the Crops enterprise.
9 Also, due to CDCR's announcement to close Chuckawalla
10 Valley State Prison (CVSP) per the Governor, the fiscal
11 year 24/25 Annual Plan reflects the closure of the
12 following CVSP enterprises by October 2024. That's our
13 Laundry, HFM, and Maintenance and Repair. All CALPIA
14 civil service employees at CVSP are being redirected
15 resulting in 0 layoffs. As mentioned earlier, revenue
16 for HFM is expected to increase by 17.2 million in
17 fiscal year 24/25 primarily due to the CMF PIP, which
18 includes a budget to cover additional cleaning space as
19 well as the janitorial position costs needed to support
20 the program. A full fiscal year of salary increases for
21 custodial staff series, which started in fiscal year
22 23/24 as these positions were phased in incrementally
23 throughout the fiscal year. So, in fiscal year 24/25,
24 it's a full fiscal year budgeted for those positions.
25 And a full year in the budget for the custodial
26 supervisor position package, which began in fiscal year

1 23/24 to support the HFM-wide program. The selling and
2 administration cost we are budgeting totaled 31.1
3 million dollars, which includes Central Office support
4 such as Administration, Fiscal Services, Information
5 Technology, Sales and Marketing, Legal Affairs, External
6 Affairs, and Executive Management. We continue to focus
7 on ensuring that our selling and administration costs
8 are reasonable in terms of the size and scale of our
9 field operations. The selling administration Central
10 Office support cost that we are proposing are 11.2% of
11 revenues earned, which is the same percentage we have
12 for fiscal year 23/24. We are also proposing a
13 distribution transportation budget of 16.8 million to
14 cover costs, which is approximately 6% of our projected
15 revenue. Incarcerated individual development programs -
16 for our Joint Venture Programs, CALPIA's current
17 contract with CDCR is ending June 30th of 2024. However,
18 a new contract was submitted to begin on July 1st.
19 Reimbursements for the Venture Program remain unchanged,
20 that 1 million dollars. For Career Technical Education
21 programs known as CTE, the 24/25 Annual Plan includes
22 the deactivation of the roofing program at Folsom State
23 Prison - but with this comes the redirection of funds to
24 reactivate the carpentry program at Folsom which was
25 previously deactivated for the fiscal year 23/24 Annual
26 Plan. This change will help support more enterprises at

1 Folsom including the Modular Building Enterprise. In
2 fiscal year 24/25, CALPIA plans to add an audio-visual
3 program at California Institution for Women (CIW), and
4 we are also working, as Bill mentioned earlier, with
5 CDCR to bring back the culinary program at CIW and soon
6 as more details are available, we will be briefing the
7 Board. CALPIA's proposed fiscal year 24/25 Annual Plan
8 for CTE programs is 5 million dollars in expenses, 2.6
9 million dollars in reimbursements for a net total cost
10 to CALPIA of 2.4 million dollars. Overall, the result of
11 the budget development is a net profit of approximately
12 \$800,000 or 0.3% net profit margin. We do believe that
13 the \$800,000 net gain is a prudent amount for this
14 coming fiscal year.

15 MR. DAVIDSON: Can I jump in here for just a
16 second on this one Natalie?

17 MS. MCCORKLE: Yep.

18 MR. DAVIDSON: The \$800,000 as you know in
19 prior years we try to target about a one to one and a
20 half percent in our projected revenue that's our gross
21 profit. This year we decided that it was not necessarily
22 prudent or necessary in light of the state budget
23 challenges and concerns. We felt we did not need to
24 strive to achieve... We could afford to make less of a net
25 profit this year to allow and CDCR took a pretty hard
26 hit in the budget this year and rather than trying to

1 increase some costs here and there to achieve that
2 target, we determined it would be best to just pull back
3 on a few areas and we can handle a little bit less of a
4 bottom line net profit but we will still be profitable
5 but we will not need to be as profitable as we have been
6 in prior years. So that's why you'll notice that it's a
7 little bit less of a profit margin than what we have had
8 prior. But it's primarily being conscious and
9 conscientious of the overall state budget perspective.
10 And with CDCR being our largest customer, the impact
11 particularly that they've had with the budget.

12 MEMBER AGHAKHANIAN: I have a question. And I
13 might have forgotten about this, but since our CFO is
14 here, I'll ask. Do we have a reserve account? And are
15 we... [indiscernible]

16 MR. DAVIDSON: So, if it's okay with you, hang
17 on to that question. When we get to the designation
18 cash, we're going to talk...

19 MEMBER AGHAKHANIAN: Oh, I jumped the gun.

20 MR. DAVIDSON: You didn't jump the gun, but...

21 MEMBER AGHAKHANIAN: I think I've asked this
22 already. But there is a designation of cash. Are we
23 legal or not to have accounts for us to manage for our
24 expenses [indiscernible].

25 MR. DAVIDSON: We are not. Well, we are but it
26 is through the State Surplus Money Investment Fund,

1 which is - and I think we've had this conversation in
2 the past too - but we are not allowed to go ahead and
3 take our funds and invest them somewhere outside the
4 State Treasury system. And I'm sorry I should have let -
5 you said you were going to ask the CFO that question... I
6 should have let the CFO respond.

7 MS. MCCORKLE: Nope. I would have had the same
8 response. Alright so, for incarcerated individual work
9 assignments. We're budgeting a total of 5,808
10 incarcerated individual work assignments for the
11 upcoming fiscal year. This is an increase of 64 work
12 assignments. Our goal is to provide the greatest number
13 of incarcerated worker positions as possible based on
14 expected production and customer demand. The numbers
15 identified in the Annual Plan consider changes due to
16 closures, deactivations, reduced incarcerated
17 population, as well as enterprise expansions. As we
18 continue to recover from the effects of the pandemic, we
19 are seeing an increased number of assigned programs and
20 expect this trend to continue. In the fiscal year 21/22
21 - the worst of the pandemic years for us - we saw a fill
22 rate of about 64%. This year that number has increased
23 to 81%, and we look forward to continued collaboration
24 with our partners at the institutions to see this
25 continue to go up. This is an overview of the proposed
26 24/25 Annual Plan. We would appreciate the Board's

1 consideration and ask for the Board's approval of this
2 plan.

3 MR. DAVIDSON: If I could just add one more
4 component to this. Just talking about our civil service
5 positions. And if you look at what the proposed civil
6 service count is for the 24/25 fiscal year compared to
7 our current fiscal year, we see a net increase of 38
8 positions. I just want it to be clear to everyone that
9 its really driven by the CMF PIP. The positions, and
10 those positions were approved at our prior two Board
11 meetings. So, we actually have 46 additional new
12 positions approved for the CMF PIP. We are also adding a
13 couple of positions to Workforce Development, as
14 Workforce Development Coordinators, as we continue the
15 expansion and rollout of the Entry to Employment
16 program. In order to have that successfully rollout
17 statewide, we need to have some additional resources.
18 And we've also redirected internally some resources
19 there, but it's really needed to have some additional
20 Workforce Development Coordinators there. So, it's an
21 increase of 48, so then we also have had a decrease of
22 an additional 10 positions throughout the department. We
23 had the crops closure and some other inefficiencies that
24 we have identified to eliminate some additional
25 positions. So, 48 new positions through the CMF PIP and
26 Workforce Development, 10 position reduction in other

1 areas. So, that's where the net 38 comes from.

2 ACTING CHAIR DAVISON: What position - what
3 classifications are the Workforce Development
4 Coordinators?

5 MR. DAVIDSON: So, they are at the Prison
6 Industry Manager level. We always use acronyms; we call
7 it the "PIM" level...

8 ACTING CHAIR DAVISON: So that's the working
9 title...

10 MR. DAVIDSON: Yes, Prison Industry Manager is
11 the level.

12 ACTING CHAIR DAVISON: And are those perm/full-
13 time?

14 MR. DAVIDSON: Permanent/full-time, yes.

15 ACTING CHAIR DAVISON: Because I know they were
16 RAs before.

17 MR. DAVIDSON: Correct. Yes.

18 MEMBER AGHAKHANIAN: The video of the program
19 that we watched [indiscernible] what is the fiscal
20 impact?

21 ACTING CHAIR DAVISON: What did you ask? I
22 couldn't hear you.

23 MEMBER AGHAKHANIAN: We just watched a video
24 about the new program that we just launched..

25 MS. MCCORKLE: E2E

26 MEMBER AGHAKHANIAN: Where we find jobs. Is

1 that in the budget or...

2 MR. DAVIDSON: Yes. So that is the Entry to
3 Employment Program. And when I just said, we added two
4 positions to that - so yes, that's a part of the
5 Workforce Development Branch. So, when we look in here
6 at the Workforce Development Branch that includes the
7 funding for that program as well. And it is, I mean,
8 obviously it doesn't generate revenue from us. So, when
9 we talk about gross profit level that - you know we talk
10 about 56 million dollars in gross profit - that covers -
11 part of that covers Workforce Development.

12 MEMBER AGHAKHANIAN: So, I know that there are
13 programs with the Feds, and the County, and State, that
14 work together like Workforce and USA Job Center
15 [indiscernible] Do we get any funding from the county?
16 Because I know there is from the county side, especially
17 for career tech...

18 MR. DAVIDSON: Do you want to handle this one,
19 Suzie? We have some things that we're working on. But
20 Suzie, I'll let her speak to this.

21 MS. CHANGUS: We actually, earlier this year,
22 developed sort of a 'Grants' position within the Project
23 Management Office at CALPIA. Really to look at
24 opportunities like that. We had heard a little bit about
25 that. And I know at one point in CALPIA's history we did
26 look at grants as an opportunity for ways to receive

1 that kind of funding. And really, our focus is for
2 Workforce Development. So that is absolutely a path that
3 we are running down. We just started research and
4 development on it, but we should have something to
5 update the Board with in the next six to nine months.

6 MEMBER AGHAKHANIAN: I can tell you right now,
7 despite a budgetary report, there is money for career
8 tech. We just got two and a half million.

9 MR. DAVIDSON: Yeah... And I think there are
10 opportunities, not just there, I just think it's an
11 untapped opportunity that we have had within PIA that we
12 needed to look into. There are Federal and State grants
13 out there. Again, we don't have to create new things -
14 there are things that we are doing that we can...

15 MEMBER AGHAKHANIAN: And for grant writing do
16 we use inhouse or do we outsource for that? Inhouse
17 grant writing?

18 MS. CHANGUS: Our goal is to keep it in-house.

19 ACTING CHAIR DAVISON: Armond do you want a
20 job?

21 [Laughter]

22 MEMBER AGHAKHANIAN: No... I know usually there
23 is a shortage of them...

24 MR. DAVIDSON: It is a unique - it's
25 specialized.

26 BOARD SECRETARY MARION: Eddy also raised his

1 hand.

2 ACTING DAVISON: Eddy. Thank you for your
3 patience.

4 MEMBER ZHENG: Thank you, Madam Chair. I have a
5 question for the CFO or for Bill. This is, I see there
6 is an increase on the incarcerated individual of the 64
7 positions. I'm just wondering, as you factor in some for
8 the budgets. What is the budget that's allocated for the
9 compensation for the incarcerated individual. And then
10 the second question is that you know, we know the Union
11 members out here for the staff, for the industry. Always
12 when the economy is good, you know, there's a 3% COLA
13 increase for the cost of living. Is there any type of
14 cost-of-living increase for incarcerated individuals who
15 are working in there? Even though they may be paroling
16 and going elsewhere. But are there designated categories
17 just like any of the increase of the civil service
18 staff? Is there any category that sets the bar for the
19 compensation for incarcerated individuals?

20 MR. DAVIDSON: I think I'm going to handle
21 that...

22 MS. MCCORKLE: I'll let you take it.

23 MR. DAVIDSON: So, I'll kind of
24 compartmentalize a little bit your questions there,
25 Eddy. So, the first one about the increase in
26 incarcerated work positions that's primarily again due

1 to the new CMF PIP mission. That will allow us to add up
2 to 62 additional incarcerated work assignments. Then we
3 have some reductions in other areas, but generally, it's
4 being held pretty consistent with what we have in the
5 current year. And I will tell you that we have tried
6 very hard, particularly the last year or two, to ensure
7 that what we identify as our budgeted incarcerated
8 worker assignments is truly what our work need is. I
9 don't question that in the past, we have probably
10 inflated that number a little bit more than what we were
11 every going to be able to have. But what we've
12 identified now, and Nicole and her team have done a
13 great job in the field of saying these are truly the
14 number of incarcerated work assignments. If we had them
15 all filled, there would be meaningful quality work for
16 this many individuals. And as Natalie noted, we've only
17 - and I say only - but best of what we've been in at
18 least seven years, but 81% of those positions have been
19 filled this year. We strive to obviously continue to
20 improve that number, but the number that we said is
21 truly - we want to maximize the number of work
22 opportunities that we have out there, and we truly
23 believe that what we have identified is the right number
24 to truly provide that number of meaningful work
25 opportunities. The budget, I would have to go, we would
26 have to get back to you on what the actual budgeted

1 number for incarcerated work salaries would be for this
2 year. I don't know that in the detail I have right now.
3 I don't have it in front of me. But we certainly have
4 that number, and we can get it to you. As far as how
5 that number is determined, I mean it is in regulation
6 with what this salary scale is. And there are
7 opportunities within each of the categories that the
8 incarcerated individuals work. They can promote. They
9 can move up in salary range and earn more as they
10 promote up within the different job categories that
11 they're in. As far as you know, a 3% COLA or anything
12 like that, we don't do anything like that. The salaries
13 are pretty fixed and pretty consistent right now. You
14 know, down the road we may be able to look at
15 potentially changing that, but we don't have anything in
16 the budget for an across-the-board salary increase for
17 the incarcerated folks. But again, they do have the
18 opportunity, as they come into the programs, they can
19 promote within their different job categories and earn
20 more as they promote that way. But as far as what that
21 bottom line dollar amount is, we will get back to you.
22 We have it, I just don't, and I don't believe that
23 Natalie does either, have it in front of us right now as
24 we sit right here.

25 MEMBER ZHENG: Yeah, thank you for sharing
26 that, and I would appreciate it if you could get that

1 number and share with the Board. I think just, you know
2 just a comment around, as we change the name of CALPIA.
3 You know, still understanding the dynamic around the
4 destination of the Prison Industry complex, right? Is
5 that, you know, right now there's a policy change
6 advocacy around how do they remove the state legislation
7 on the issue around indentured servitude. So, we have
8 the Federal law under the 13th Amendment, the U.S.
9 Constitution, that really allows slavery - happens. Even
10 though we just celebrated Juneteenth, and that's the
11 abolition of slavery, but then accepted when you
12 committed a crime, right? So that's on the Federal level
13 and then on the State level, the Governor is actually,
14 you know, dealing with this policy push from the
15 community around how we remove that from the language of
16 the law? So, in that spirit, I would say that it would
17 be interesting and beneficial and revolutionary for
18 CALPIA to be able to recognize that the incarcerated
19 individuals who are providing all this labor that
20 created many of the profits, right, that the revenues
21 that are generated? How do we evaluate, how do we set
22 the bar for so many years, right? How do we set the bar
23 for the industry to say that we want to compensate
24 individuals who are incarcerated, for their work, for
25 that labor that they're producing, right? And two, is
26 that how do we just changing as we match all the success

1 stories and all the things that CALPIA is supporting for
2 the incarcerated individuals. How do we make sure that
3 we shift that mindset around? How do we treat this
4 individual, that has committed harm, and who is in the
5 process of rehabilitation to really live up to that the
6 California Department of Corrections and Rehabilitation,
7 right? And so, it's just not the name only, but then
8 actually in practice. How we can, as California, how do
9 we step ahead, ahead of the national practices?

10 ACTING CHAIR DAVISON: Thank you, Eddy. Felipe,
11 you had your hand up.

12 MEMBER MARTIN: I did. I did. So, I just wanted
13 to speak on the level of service that we, that I believe
14 we provide to the incarcerated individuals. And
15 although, you know, we all would love to see them make a
16 lot more money, we have to take into account that we
17 have a lot of programs that make zero money. There's the
18 CTE programs that are essentially training all of our
19 incarcerated individuals to have these opportunities
20 when they get out. We're providing the GE. You know,
21 they get their general education certificate while
22 they're incarcerated - and while they are under our
23 program, getting paid for it. There's a lot of services
24 that we provide within the institution and within PIA
25 that really don't get factored in. So, when they leave,
26 they don't have a college debt that they are leaving

1 with. They actually have a college education, or I call
2 it vocational education that they're leaving with that
3 we are providing. And although, yes, it's at a lower
4 cost than maybe what they would be receiving. But you
5 know what, they're not in debt when they're leaving. So,
6 they're being educated. They're being, you know, we're
7 providing them an education. We're providing them
8 vocational training. We're providing them hands-on
9 training that when they leave here - and I believe our
10 success rate of 85% that don't come back speaks to what
11 we do for these incarcerated individuals. And then also
12 that, you know the news cap that they said - I mean a
13 lot of them now see the light, now are able to say "hey,
14 I'm going to go out there and be productive. I have the
15 ability, I've been given the opportunity, and now I can
16 make a difference in society." So, I think they speak to
17 what we're trying to do. And I think the success speaks
18 to what we are doing.

19 MEMBER AGHAKHANIAN: I also would like to add.
20 I know that both my colleagues were, you know we're
21 talking about some of the programs, or what's out there.
22 But I saw, I think 84% success rate isn't unheard of and
23 I will tell you why...

24 MR. DAVIDSON: 85 percent.

25 MEMBER AGHAKHANIAN: 85%, sorry. You remember,
26 several years ago, the State started spending money -

1 they keep changing the name every year. Career Tech
2 Education. They were throwing millions at this program.
3 And another thing that they keep changing and
4 remodifying it, because the number of successes for
5 students being prepared for Career Tech, or even college
6 education out of high school going into a Career
7 Technology or whatever. But I'm sorry. It's just every
8 year it changes because it didn't work for several
9 years. So, I think also, we need to start also comparing
10 what we're doing to some of the other much more heavily
11 funded programs out of the State and look at the success
12 rate in comparison to ours. And I can tell you, someone
13 who's knee deep in higher education - our numbers are -
14 we should be [indiscernible] 84, 85, 86... And I see the
15 numbers, because we also get, we are home to the largest
16 formerly incarcerated college population. We see the
17 rates. But still, we're not seeing enough programs
18 coming from the State to address what happens after.
19 There're very small departments, you know. You've heard
20 of Rising Scholars, but the State is not paying as much
21 attention as they should be into this problem. So, my
22 hope is that, based on our success rate, maybe we should
23 go and talk to some more people in higher education and
24 say, "Hey, this is working. Maybe we should collaborate.
25 Give us a little more money, obviously this is working.
26 Let us work directly with some of these institutions and

1 help them." Because one of their biggest challenges -
2 there are a lot of students who are out of prison, but
3 they're still sitting at, what do you call it, a halfway
4 home? They can't get out, they're on probation. So,
5 within that time period they can't really study unless
6 they do it remotely, and that becomes difficult. I know
7 we've talked about this, talking about trying to look
8 into some of this legislation. Because there are also
9 people out there who want to support this program, but
10 it's difficult for them. I'm talking about private
11 institutions who want to create scholarships in -
12 currently incarcerated or formerly incarcerated. But
13 their challenge is also higher education because the
14 standards of colleges are so different, right? You have
15 to be there in person. It's difficult. So, I think,
16 looking at our rates, we should go out there and really
17 start talking about what we're doing because there is a
18 need. Because right now higher education, also
19 institutions, are suffering because of attrition and
20 enrollment as they get funded for people. Don't get me
21 started on K-12.

22 MEMBER VAUGHN: Yeah, I mean, I think that's
23 Eddy's point, right? I think - I support everything that
24 everybody is saying - but Eddy's point is that PIA is in
25 a unique opportunity to really create a conversation
26 around creating fair wages for everybody that are

1 incarcerated and coming out of these opportunities, and
2 we know that we have some of our enterprises that are
3 already bridging the gap with outside opportunities. And
4 those partnerships that get paid at a higher clip than
5 some of our other enterprises. So, there's always an
6 opportunity to improve how we're sending people back out
7 into the community. And I think our model stands as a
8 testament in terms of what we are doing. But in
9 relationship to the population, in totality and its
10 increases, this is where we're at. Because the reality
11 is that people are coming out into our communities,
12 still unemployed, still with barriers, and still not
13 able to get a livable wage in our community. And so,
14 while we can really instill the virtues and the success
15 of PIA - and we should - we still have this greater
16 obligation to make sure that other programs and other
17 opportunities across the state system are also being
18 looked at so that we can make sure that we have greater
19 opportunity in sending people home in general from the
20 system - to have greater levels of success. This
21 continues to be the advocacy that we do on the outside,
22 where we're trying to create opportunities not just for
23 housing, but family reunification, employment, and
24 higher wage opportunities. And so, I think that PIA is
25 in a unique position to influence that and to use our
26 model as an example of - as an opportunity for

1 transformation.

2 ACTING CHAIR DAVISON: Thank you. Anybody else
3 have any other comments or questions? Thank you,
4 Natalie.

5 MR. DAVIDSON: So, do we have a motion to
6 approve?

7 MEMBER AGHAKHANIAN: So moved.

8 ACTING CHAIR DAVISON: No no...

9 BOARD SECRETARY MARION: Public comment...

10 ACTING CHAIR DAVISON: Yes, I have to go on
11 first. Would any member of the public like to make a
12 comment regarding this item. As a reminder, if any
13 member of the public would like to make a comment
14 regarding this item, please have a speaker request form
15 filled out, and then come forward and state your name
16 and affiliation. For any member of the public who is in
17 virtual attendance, please dial *9 to raise your hand to
18 speak. Our meeting organizer will place you in order and
19 will call out your name or the last four digits of your
20 phone number. When it is your time to speak, please
21 state your name and affiliation so that we can make note
22 in our records. Each speaker will be limited to two
23 minutes for public comment.

24 BOARD SECRETARY MARION: I don't think there is
25 anyone on the line...

26 MEMBER AGHAKHANIAN: You need the gavel by the

1 way. You have to hit the gavel.

2 [Laughter]

3 ACTING CHAIR DAVISON: Is there a motion to
4 approve Action Item B? Can I get a motion to approve?

5 MEMBER AGHAKHANIAN: So moved.

6 [Motion seconded by Member Martin]

7 ACTING CHAIR DAVISON: Okay will the secretary
8 please call roll?

9 BOARD SECRETARY MARION: Alright, so let's call
10 roll... Acting Chair Dawn Davison?

11 ACTING CHAIR DAVISON: Aye.

12 BOARD SECRETARY MARION: Member Aghakhanian?

13 MEMBER AGHAKHANIAN: Aye.

14 BOARD SECRETARY MARION: Member Lopez?

15 MEMBER LOPEZ: Aye.

16 BOARD SECRETARY MARION: Member Martin?

17 MEMBER MARTIN: Aye.

18 BOARD SECRETARY MARION: Member Minnich?

19 MEMBER MINNICH: Aye.

20 BOARD SECRETARY MARION: Member Quant?

21 MEMBER QUANT: Aye.

22 BOARD SECRETARY MARION: Member Vaughn?

23 MEMBER VAUGHN: Aye.

24 BOARD SECRETARY MARION: Member Zheng?

25 MEMBER ZHENG: Aye.

26 BOARD SECRETARY MARION: Alright, let the

1 record show that the motion passes 8 to 0.

2 ACTING CHAIR DAVISON: Thank you.

3 MEMBER VAUGHN: Do we have any more Action

4 Items?

5 MR. DAVISON: Yes.

6 MEMBER VAUGHN: Because I have a hard stop at 1

7 o'clock. Would we lose the quorum if I have to get to my

8 1 o'clock?

9 ACTING CHAIR DAVISON & MR. DAVIDSON: We will

10 still have a quorum.

11 MEMBER MARTIN: I also have a hard stop.

12 MEMBER VAUGHN: Yeah, I definitely have a hard

13 stop. They're actually waiting for me in a different

14 meeting.

15 MEMBER MARTIN: So that's twice. So, is that

16 going to impact it?

17 ACTING CHAIR DAVISON: Does anyone else have to

18 leave?

19 MEMBER AGHAKHANIAN: I have thirty minutes.

20 MEMBER QUANT: I have thirty minutes.

21 ACTING CHAIR DAVISON: Yeah, I only have thirty

22 minutes too.

23 MR. DAVIDSON: I'm sorry Felipe, did you say

24 you had a 1 o'clock stop as well?

25 MEMBER MARTIN: Yes, I have to - they're

26 waiting.

1 MR. DAVIDSON: So, we'll still have six, so
2 we'll still have a quorum.

3 MEMBER VAUGHN: Alright, thank you guys, it was
4 a really good session today.

5 ACTING CHAIR DAVISON: Thank you, Troy.

6 MR. DAVIDSON: Thank you.

7 MEMBER MARTIN: Thank you, everyone.

8 ACTING CHAIR DAVISON: Thank you, Felipe.

9 MEMBER AGHAKHANIAN: [indiscernible]

10 BOARD SECRETARY MARION: Alright, let the
11 record show that Troy Vaughn and Felipe Martin have left
12 the meeting.

13 ACTING CHAIR DAVISON: Okay, let's move on to
14 Action Item C.

15 MR. DAVIDSON: Here to present...

16 ACTING CHAIR DAVISON: Thank you, Natalie.

17 MS. MCCORKLE: Alright, Action Item C is the
18 Fiscal Year 24/25 Designation of Cash. The Designation
19 of Cash is based on CALPIA's planned changes in cash and
20 capital expenditures for the new Fiscal Year. The
21 Designation of Cash reflects the impact of the proposed
22 capital expenditures on CALPIA's projected cash balance.
23 So, for this coming Fiscal Year, we're proposing a total
24 of 11.7 million dollars in new capital purchases,
25 including 8.4 million for the field and 3.3 million
26 dollars for Central Office. We are also proposing to

1 roll over \$800,000 and previously approved capital that
2 we have not yet been able to complete in this current
3 fiscal year. A few of the most critical new capital
4 requests include \$917,000 for new trucks, trailers, and
5 refrigerated units. \$890,000 for Meat Cutting for a
6 forming machine and boiler skid. \$515,000 for various
7 Laundry, washer and dryers. \$503,000 for Bindery for a
8 latex ink decal printer. \$200,000 for various warehouse
9 electric forklifts. \$159,000 for Metal Signs for a
10 flatbed and ink jet decal printers and vinyl plotters.
11 We also have 2.5 million dollars for contingency funds,
12 which is consistent with the amount approved every year.
13 2.4 million dollars for the CALPIA-wide Sage X3
14 projects, and the remaining 3.6 million dollars of
15 capital requests are primarily for various replacements
16 of equipment that have gone beyond their useful life and
17 are failing and more costly to repair than to replace.

18 Approval of the Designation of Cash will keep
19 our projected cash balance at approximately 43.7 million
20 dollars, which represents approximately 2 months of
21 operating expenses. We would like to request the Board
22 consider approving the Designation of Cash to support
23 Fiscal Year 24/25 Annual Plan.

24 ACTING CHAIR DAVISON: Thank you, Natalie. Do
25 we have any questions or comments from the Board?

26 [No response]

1 ACTING CHAIR DAVISON: Okay. Would any member
2 of the public like to make a comment regarding this
3 item? As a reminder, if any member of the public would
4 like to make a comment, they would have to fill out the
5 speaker request form. If they are in virtual attendance,
6 please dial *9 to raise your hand. The meeting organizer
7 will place you in order, call out your name or last four
8 digits of your phone number, if you would like to speak.
9 Is there anybody out there? No.

10 ACTING CHAIR DAVISON: Is there a motion to
11 approve Action Item C?

12 MEMBER AGHAKHANIAN: So moved.

13 MEMBER QUANT: Second.

14 ACTING CHAIR DAVISON: Thank you. Please call
15 the roll.

16 BOARD SECRETARY MARION: Alright, Acting Chair
17 Dawn Davison?

18 ACTING CHAIR DAVISON: Aye.

19 BOARD SECRETARY MARION: Member Aghakhanian?

20 MEMBER AGHAKHANIAN: Aye.

21 BOARD SECRETARY MARION: Member Lopez?

22 MEMBER LOPEZ: Aye.

23 BOARD SECRETARY MARION: Member Minnich?

24 MEMBER MINNICH: Aye.

25 BOARD SECRETARY MARION: Member Quant?

26 MEMBER QUANT: Aye.

1 BOARD SECRETARY MARION: Member Zheng?

2 MEMBER ZHENG: Aye.

3 BOARD SECRETARY MARION: Alright, the motion
4 passes 6 to 0.

5 ACTING CHAIR DAVISON: Thank you. Thank you,
6 Natalie. Mr. Davidson, on to Information Item A.

7 MR. DAVIDSON: Alright, I would like to turn
8 the time to Ray Meek and Nicole Collins to share an
9 update on the Enterprise Development Subcommittee.

10 MS. COLLINS: Thank you, Bill. Good afternoon
11 again. During the Prison Industry Board meeting held on
12 June 25th, 2020, the Prison Industry Board approved the
13 reinstatement of the Ad Hoc Executive Committee. The
14 members of the Executive Committee were our Board
15 member, Dawn Davison, Board member - at that time - Mack
16 Jenkins, recommended five subcommittees to be
17 established. On January 28th, 2021, the Subcommittees
18 were approved by the Board, and the Subcommittee members
19 were most recently updated on January 3rd, 2024. The
20 Enterprise Development Subcommittee has met once over
21 the past six months, and the information below
22 summarizes the - sorry, as I am reading the item - the
23 items that I'm going to discuss are the topics that
24 we've discussed in our committee. The Subcommittee
25 conducted the initial meeting with the new members on
26 February 26th of 2024, and the Subcommittee talked about

1 the following: we discussed penal code 2807, we reviewed
2 it as it relates to the California Prison Industry
3 Authority's enterprises, products, and selling
4 authority. We talked about CALPIA enterprises, also
5 referred to as correctional industries, and are the
6 scope of this Subcommittee. CALPIA currently has 27
7 enterprises consisting of over 100 factories. CALPIA's
8 Career Technical Education, or CTE, Joint Venture
9 Programs, or JVP, and Free Venture Programs, FVP are all
10 out of the scope of this Subcommittee.

11 The CALPIA enterprises currently produce over
12 2,000 standard products which are available for purchase
13 online. Additionally, CALPIA makes nonstandard products
14 which are special orders made to a customer's
15 specification. An example would be a 10-yard truck body
16 for the California Department of Transportation. And the
17 guidelines for the creation of a new product or product
18 line are governed by the Marketing division's ISO
19 document MKT-G001, or new product development process.
20 There are nine steps to CALPIA's product development
21 process starting with organizational goals and finishing
22 with a post-launch analysis.

23 MR. MEEK: Good afternoon, Board, I'm going to
24 cover the rest of this informational item, which is just
25 an update on some of the product changes that we've seen
26 over the last six months or so. The first major change

1 is to the disabled person placards for DMV. The DMV and
2 CALPIA have been working for quite a while on moving
3 from the standard number to a QR Code. So, you will see
4 on the 2027 placards a QR code in addition to the
5 number. That QR code will allow law enforcement to scan
6 and get a validation of the number being correct as well
7 as the imprinted URL for a website leading to the
8 placard information on DMV's website. We are also
9 continuing to work with the DMV on a pilot for 2029,
10 which would include three or more points of variable
11 data. The purpose of this would be for DMV to be able to
12 manage the use of the placards. They're hoping to be
13 able to tie in with other State agencies to get
14 notifications of death, and so on and so forth, to limit
15 the fraudulent use of the placards. So that will be
16 something that we will continue to work on for 2029.

17 From a Modular Systems Furniture perspective,
18 we have launched a new Modular Systems line. It is the
19 Galaxy and the Compass. It is here for those who are
20 here, in the showroom. We have met with DMV, and we are
21 currently installing projects utilizing this new product
22 in the DMV offices. We also met with DGS as well, so DGS
23 will start utilizing this product as well. And we've had
24 great feedback from both agencies. We also have moved
25 forward with a new case line, the Tribute line, which
26 again is available in the showroom. We're looking

1 forward to a more streamlined, updated case line that
2 will match with the Modular Systems Furniture and the
3 height adjustable tables. That will be launching in
4 July. And again, we've already had DMV and DGS planning
5 groups out here looking through that.

6 We've talked before about dye sublimation
7 printing at CTF. So, we're continuing to move forward
8 with that. That allows us to make flags and banners and
9 other items on fabric with direct printing. So, we will
10 continue to expand that offering. Electronic welding,
11 which would be the seaming of mattresses rather than
12 sewing, has been moved to Mule Creek with the mattress
13 factory. This has been accepted by CDCR as well as all
14 our other customers. It will minimize bug implantation,
15 contraband, and other types of issues that run into
16 within those types of facilities.

17 And the final one. We've talked about again as
18 well, is the pouch juice. So, we moved our juice from
19 cartons to pouches. It's the new technology. It has been
20 fully implemented for about eight months now. Because
21 you can see the product, and it is laser coded on the
22 packaging, it allows us to change flavors. So, we used
23 to have two flavors, and a lot of that was based on the
24 runs of the printed cartons that we don't need to do
25 anymore. So, CDCR just recently approved the four
26 flavors for next year. They are all apple-based juice.

1 We will have apple, peach/apple, pear/apple,
2 apple/mango, and apple/lemonade that will be in three-
3 month rotations.

4 And one more item that we didn't put on here
5 is, we've also talked about this, is the hummus lunches.
6 We launched that product with a garlic flavor. We now
7 have brought out a fiesta and a chipotle. So again,
8 we'll be rotating those through to give the incarcerated
9 individual more variety in their boxed meals.

10 ACTING CHAIR DAVISON: The package - is there a
11 straw or something? How do you open the pouch?

12 MR. MEEK: You just tear the corner off, and
13 you can either drink it out of the pouch - when you set
14 it down, it sets well - or you could pour it into a cup.
15 However they'd like to do it.

16 ACTING CHAIR DAVISON: Because I was hearing
17 some issues with that...

18 MR. MEEK: Yeah, that was more concern than
19 issues. So, we've gotten well past that.

20 ACTING CHAIR DAVISON: How did you get past
21 that?

22 MR. MEEK: Just by the incarcerated folks
23 utilizing it. And the CDCR staff understanding that it's
24 actually very easy to tear the corner off and utilize.

25 ACTING CHAIR DAVISON: Oh, okay. I didn't
26 remember what the issue was...

1 MR. MEEK: There were concerns, especially from
2 disabled folks, being able to open those and we've had
3 no issues of that. We've had no complaints. We haven't
4 heard of that issue in probably six months.

5 ACTING CHAIR DAVISON: So, it was just the
6 beginning...

7 MR. MEEK: It was just the beginning, just a
8 learning curve.

9 MR. DAVIDSON: Isn't it actually easier, Ray,
10 to tear it off than with the cardboard ones that you
11 have to peel and...

12 MR. MEEK: Yes, you could make the argument
13 that the cardboard is actually sometimes harder to open.
14 And we meet with the Food Administrator on a monthly
15 basis to go over all this and make sure that there's
16 nothing going on out there that we need to talk about.

17 ACTING CHAIR DAVISON: Thank you. Any other
18 questions, comments? For Ray and Nicole? Okay, thank
19 you.

20 MR. MEEK & MS. COLLINS: Thank you. Thank you.

21 ACTING CHAIR DAVISON: Now we move on to the
22 External Affairs update.

23 MS. KANE: Hello, hello, good afternoon, Board
24 members. I'll try to keep it nice and brief and get us
25 out of here on time. Alright. I'm Michele Kane,
26 Assistant General Manager of External Affairs. I wanted

1 to give you a quick update of what we've been working on
2 these last few months. We held a successful graduation
3 at the Correctional Training Facility in Soledad, and
4 that was in April. CALPIA recognized 123 graduates,
5 that's the most, who received their job certification
6 and our apprenticeships. That was huge. We had a
7 majority of Healthcare Facilities Maintenance (HFM)
8 individuals graduate. Who better to provide the keynote
9 address, and that was Timothy Jackson. Mr. Jackson, he
10 graduated from our program. He inspired the audience,
11 and talked about how his cleaning business continues to
12 expand in the Southern California area. And what I love
13 about his cleaning business is, he hires formally
14 incarcerated. So was actually passing out his business
15 card at the graduation.

16 Our next graduation was held at Centinela
17 State Prison on May 16th. We had 31 graduates there, but
18 we had more than 25 family members, that was the most
19 family members with that ratio, and it was very exciting
20 to see that. Bill provided words of encouragement. So
21 did the Warden and the success story along with former
22 graduate, Tony Curtis. He provided the keynote. Mr.
23 Curtis actually graduated from our HFM program as well
24 as our former General Facilities Maintenance and Repair
25 (GFMR). Well, he is now the co-owner of a construction
26 company which was the first company to partner with

1 Lowes and Walmart for their solar services. So, he's
2 doing incredible work there. He's also a senior pastor
3 at a local church, but he's a CEO of his construction
4 company. He was also part of the first group of
5 graduates, if you remember, of our Optical program at RJ
6 Donovan, when we had Optical, and he got his Optician
7 certification there. So, he is quite the overachiever,
8 and he provided just amazing words of encouragement to
9 the graduates.

10 Our next graduation is going to be held at
11 California Institution for Women (CIW) in Southern
12 California. Yes, Dawn Davison used to be the Warden
13 there. This will be a big event. It is set for August
14 13th, so I hope all of you can attend. Following that, on
15 September 12th we're going to hold another graduation at
16 Mule Creek State Prison (MCSP).

17 As Bill mentioned, the Kickoff event for
18 Entry to Employment (E2E) went really well. Thank to
19 Board members Katherine Minnich and Kyle Patterson for
20 showing their support. We were able to track the data
21 from this event on the local front. The Entry to
22 Employment program reached an audience of 648,000 people
23 with total publicity value of \$223,000. With all the
24 stories combined, there was a total runtime of more than
25 30 minutes of local airtime. And that is all free for
26 CALPIA. The story was also picked up by a PR newswire,

1 which is very important because we partnered with Geo
2 Solutions, and they are a corporation. At last check,
3 242 publications have picked up the story on Entry to
4 Employment, reaching a potential audience of 75.5
5 million individuals worldwide. So, I'm getting google
6 hits from Oregon, Michigan, you name it. So, it's the
7 story that keeps on giving and that's what CALPIA is all
8 about - making sure incarcerated individuals have
9 employment when they leave prison. We are definitely
10 changing lives as an organization, and I'm very proud to
11 be part of it. With that, I hope you all have a great
12 summer. Look forward to seeing you at our next Board
13 meeting. That will be in October. And hopefully you can
14 attend a graduation event. Thank you so much.

15 ACTING CHAIR DAVISON: Thank you. That's the
16 kind of worldwide news we like.

17 MEMBER AGHAKHANIAN: For the record, I just got
18 excited, we just had a graduation... [indiscernible]

19 ACTING CHAIR DAVISON: Okay, we're not done
20 yet. Thank you.

21 MS. KANE: Thank you.

22 ACTING CHAIR DAVISON: This portion of the
23 meeting is reserved for comment regarding items not on
24 the agenda. Under the Bagley-Keene act, the Board cannot
25 act on items raised during public comment but may
26 respond briefly to statements made or questions posed,

1 or may request clarification, or refer the item to
2 staff. Would anyone like to make a comment or address
3 the Board? 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, come forward,
6 and state your name and affiliation. Any member of the
7 public who is in virtual attendance please either dial
8 *9 if you're calling in or enter your comment on the
9 chat function via the webinar. Our meeting organizer
10 will place you in order. We'll call out your name or
11 last four digits of your phone number. When it is your
12 time to speak, state your name and affiliation so we can
13 make note in our records. Each speaker will be limited
14 to two minutes for public comment. Anybody?

15 [No public comments]

16 ACTING CHAIR DAVISON: Okay. This concludes our
17 Prison Industry Board meeting of June 25th. Is there a
18 motion to adjourn the meeting?

19 MEMBER AGHAKHANIAN: So moved.

20 MEMBER QUANT: Second.

21 ACTING CHAIR DAVISON: All in favor?

22 BOARD MEMBERS: Aye.

23 ACTING CHAIR DAVISON: I get to do it...

24 [Strikes gavel]

25 MR. DAVIDSON: Can I say, I just want to
26 recognize and thank Kevin over here. He stepped in for

1 us, kind of at the last second, and he's done a
2 fantastic job. So, thank you, Kevin.

3 ACTING CHAIR DAVISON: Thank you, Kevin. So,
4 this concludes our meeting at 1:21 p.m. Thank you
5 everybody.

6

7