

CALIFORNIA PRISON INDUSTRY AUTHORITY
BOARD MEETING

REPORTER'S TRANSCRIPT OF THE
PRISON INDUSTRY BOARD MEETING

TUESDAY, JUNE 28, 2022

10:00 A.M.

Held at:

CALIFORNIA PRISON INDUSTRY AUTHORITY
CALPIA SHOWROOM
2019 19th Street
Sacramento, California, 95818

Reported By:
Peter Petty

APPEARANCES

Jeff Macomber, Undersecretary, Acting Chair
Darshan Singh, Vice Chair

Board Members

Armond Aghakhanian
Dawn Davison
Michael Lopez
Felipe Martin
Jennifer Osborn
Carlos Quant
Troy Vaughn

Also Present

William Davidson, General Manager
Randall Porter, Attorney
Melinda Marion, Board Secretary
Nicole Collins, Assistant General Manager, Facilities
Operations
Debi Kamakani, Assistant General Manager, Administration
Division
Michele Kane, Assistant General Manager, External
Affairs
Rusty Bechtold, Assistant General Manager, Workforce
Development

Public Comment

None

INDEX

	Page
1. Call to Order - Jeff Macomber, Undersecretary (Acting Chair)	4
2. Roll Call - Melinda Marion, Board Secretary	4
3. Chair and Board Comments- Jeff Macomber, Undersecretary (Acting Chair)	5
4. General Manager Comments- William Davidson, General Manager	7
5. Action Items	40
a. Proposed Furniture Consolidation- San Quentin- 22-0628-454-AI Presenter - Nicole Collins Assistant General Manager, Facilities Operations	40
b. Proposed Laundry Consolidation - California Men's Colony-22-0628-455-AI Presenter - Nicole Collins, Assistant General Manager, Facilities Operations	49
c. Approval of CALPIA's Proposed Annual Plan for Fiscal Year 2022-23-22-0628-456-AI Presenter - William Davidson, General Manager	58
d. Approval of CALPIA's Designation of Cash to Support Fiscal Year 2022-23 Annual Plan - 22-0628-457- AI Presenter - William Davidson, General Manager	90
6. Information Items	93
a. Subcommittee Updates - 22-0628-545-II Rusty Bechtold, Assistant General Manager Workforce Development Branch	93
Michele Kane, Assistant General Manager External Affairs	118
7. Public Comment	140
8. Adjournment - 12:38 P.M.	142

Reporter's Certificate

Transcriber's Certificate

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

2 June 28, 2022 10:03 A.M.

3 CHAIR MACOMBER: Seeing that it's 10:03, let's
4 call this meeting of the Prison Board to order at 10:03
5 A.M. I would like to also take note that this meeting is
6 being held in a publicly noticed location.

7 We will begin by asking the Board Secretary to
8 please call the roll.

9 SECRETARY MARION: Alright, good morning,
10 everyone. Starting off, Chair Macomber?

11 CHAIR MACOMBER: Here.

12 SECRETARY MARION: Vice Chair Singh?
13 Member Aghakhanian?

14 BOARD MEMBER AGHAKHANIAN: Here.

15 SECRETARY MARION: Member Davison?

16 BOARD MEMBER DAVISON: Here.

17 SECRETARY MARION: Member Jenkins?
18 Member Lopez?

19 MS. LOPEZ: Here.

20 SECRETARY MARION: Member Martin?

21 BOARD MEMBER MARTIN: Here.

22 SECRETARY MARION: Member Osborn?

23 MR. OSBORN: Here.

24 SECRETARY MARION: Member Quant?

25 BOARD MEMBER QUANT: Here.

1 SECRETARY MARION: Member Vaughn?

2 MR. VAUGHN: Here.

3 SECRETARY MARION: Let the record show that we
4 have a quorum of eight members.

5 CHAIR MACOMBER: Alright. I'd like to welcome
6 Board members and attendees. It's good to see everyone
7 in person rather than video like we've been the last
8 couple years. And thank you for being here today.

9 I'd like to start by welcoming our newest
10 board member, Michael Lopez. Mr. Lopez, of Fresno, has
11 been a business representative for the Sheet Metal
12 Worker's Local 104, covering Fresno, Madera, Kings, and
13 Tulare Counties since 2012, and has been an elected
14 officer since 2009. Mr. Lopez has held several
15 positions at New England Sheet Metal from 1992 to 2012,
16 including Utility Worker, Apprentice, Foreman, and
17 Estimator. He is a member of the Fresno County Local
18 Agency Formation Commission, the City of Fresno Capitol
19 Projects Oversight Committee, Trustee for the Fresno,
20 Madera, Tulare, and Kings County Building Trades
21 Council. And, Board Member of the Madera County
22 Workforce Investment Board, Focus Forward, and Arte
23 Americas of Fresno California. Welcome, Mr. Lopez.

24 BOARD MEMBER LOPEZ: Thank you, thank you.

25 CHAIR MACOMBER: Appreciate you being here.

1 Any comments?

2 BOARD MEMBER LOPEZ: No, I'm excited to be
3 here, and looking forward to working with you all.

4 CHAIR MACOMBER: Great.

5 UNIDENTIFIED SPEAKER: Welcome.

6 CHAIR MACOMBER: Alright. Now, I'd like to
7 open up the floor for opening remarks from the board
8 members. Would any board member like to share any
9 opening comments?

10 BOARD MEMBER MARTIN: Just real quick, Felipe
11 Martin. Great to see everyone today in person. It's
12 nice to be back. It's a little different, but it's nice
13 to be back.

14 CHAIR MACOMBER: Anybody else?

15 BOARD MEMBER VAUGHN: I just wanted to say how
16 much I appreciated the tour at Folsom. Yesterday, me
17 and Michael were able to tour the facilities with Bill
18 and the team and Zoe, and it really had a — it was an
19 impressive showing. Right? For us to be able to go see
20 the operation, even though we're in the midst of getting
21 our audit season, you know, preparing for our next
22 fiscal year. It was still very impressive. So, thank
23 you so much for giving us that tour.

24 GENERAL MANAGER DAVIDSON: Appreciate you guys
25 taking the time to come out and be there.

1 BOARD MEMBER VAUGHN: Thank you.

2 CHAIR MACOMBER: Alright, hearing nothing
3 further, thank you folks. At this point, I'd like to
4 take — I would like to note to any members of the public
5 who are present right now that there will be
6 opportunities for public comment after each item is
7 presented to the board. If any member of the public
8 would like to comment, please fill out a speaker request
9 form and hand it to the board secretary. You will have
10 a chance to comment at the end of the meeting after
11 presentation of all agenda items. Each speaker will be
12 limited to two minutes for public comment.

13 We will now move on to General Manager's
14 Comments. Mr. Davidson?

15 GENERAL MANAGER DAVIDSON: Thank you. Good
16 morning, Chair Macomber, and members of the Board. I
17 completely agree, it's just great to be here in person,
18 to see faces and that, and just great to be back to this
19 type of a meeting.

20 I do have a few different things that I'd like
21 to provide you with some updates on today. So, I'll
22 apologize upfront if I seem a little long-winded, but,
23 it's been a little while and there's been a lot going
24 on, so I just want to provide updates and share some of
25 the things happening. And I, too, would just like to

1 offer my welcome to Mr. Lopez to the Board, and as Mr.
2 Vaughn noted, it was nice yesterday to be able to go out
3 and spend some time meeting Mr. Lopez and seeing the
4 central office, and then being able to go, the three of
5 us along with some other team members, out to tour, you
6 know, our facilities out there at Folsom. And just
7 great to meet you, and I think you'll all find Mr. Lopez
8 to be a pleasure to work with going forward.

9 Mr. Lopez is replacing Bob Jennings on the
10 board, as you know. And, Bob, he decided it was just
11 simply time for him to retire. And I had the
12 opportunity to talk to Bob a couple of weeks ago, and
13 first of all, he just asked me to pass along his
14 greetings to each of you, and to express his profound
15 gratitude that he feels for — to have had the
16 opportunity to work with each of you and to contribute
17 to carrying out the mission of the PIA. Bob, you will
18 be greatly missed, and I'd like to publicly express my
19 thanks and appreciation to him for his nine years of
20 service on the board.

21 And, when we were talking, Bob told me that
22 he, you know, he wants to retire and focus his time and
23 attention on his kids and grandkids. And then, the last
24 thing he says is, "I want to become irrelevant." I
25 said, "Bob, I don't think you're ever going to become

1 irrelevant, but I can appreciate that, that sentiment."

2 I also want to express my thanks and
3 appreciation to Curtis Kelly for his 21 years as a
4 member of this Board. Mr. Kelly is also retired, and
5 concluded his long tenure serving on the Board, and
6 we're all grateful for his many contributions to the
7 success of this organization and wish Curtis well in his
8 retirement also. And the Governor's Office is working on
9 identifying his replacement, and we hope to have his
10 position filled in the very near future.

11 And next, I'd just like to take a moment and
12 recognize our new Chief Financial Officer, Natalie
13 McCorkle. Natalie would have been here today, but she
14 went to Disneyland last week with her family, and I
15 think we can all guess what she came back with. Our
16 friend COVID. And so, she's doing the proper, necessary
17 quarantining, and so couldn't be here with us today.
18 But Natalie's been with CALPIA for more than 23 years,
19 working most of that time in the accounting office. She
20 was working as the Financial Controller at the time of
21 her appointment as the CFO, and I'm excited to have her
22 in this new role.

23 But in addition to her time working in the
24 financial office, Natalie has also worked for more than
25 four years on the operations side. She's worked in the

1 fabric, the knitting mill, and the shoe enterprises.

2 So, she has — she knows CALPIA's business not just from
3 the fiscal side, but also from the operations side. And
4 so, she's a great addition to the executive team.

5 So next, I want to give you a brief update on
6 our efforts with the implementation of our new Sage X-3
7 system. And that's a term that I hope you come to get
8 familiar with. The Sage X-3 system would be our new
9 enterprise resource planning system.

10 So, we've gone through the competitive bid
11 process, and we selected a new vendor. The vendor's
12 name is Net at Work, to help us design and implement
13 this new system. We officially kicked off the project a
14 couple weeks ago, on June 8th. And we're in the initial
15 stages of data gathering and collection, and we'll have
16 a high-level project schedule very soon.

17 So, we'll be focused on completing the
18 financial side of the system first, and then begin
19 rolling out the system to the field using a phased
20 approach — you know, we're not going to do the big bang
21 roll out theory, we'll use a phased approach to roll it
22 out to the field. But, again, we'll have a schedule
23 coming in the very near future to kind of help us
24 identify the timing on how that system will be rolled
25 out.

1 So next, I want to just tell you about some
2 efforts that we have in employee engagement. And I had
3 an anonymous letter forwarded to me a couple of months
4 ago from — that had been sent to Mr. Macomber. And the
5 letter was somewhat critical of some of the CALPIA
6 management team at a certain institution, and suggested
7 that their voices, the staff voices at that institution,
8 weren't being heard.

9 So, on receiving that letter and looking
10 through it and some comments from Mr. Macomber and
11 importing that, I worked with several of our executive
12 team members to develop an organization-wide survey.
13 And that survey was focused on gaining a better
14 understanding of our staff's perspective of their own
15 performance, their well-being, their opportunities for
16 growth and development, and ways that we can improve
17 CALPIA's processes, and just to get some general
18 feedback from staff.

19 The goal is to — is also to continue to
20 improve executive and management communication, our
21 interaction and engagement, and to create an actionable
22 plan for continued improvement going forward. So, in
23 late May, we put out a 25-question survey to all of our
24 civil service staff. The survey closed on Friday, June
25 17th, so about a week and a half ago. So, out of a

1 little more than a thousand staff who are eligible to
2 complete the survey, we had 220 who did so. So, that's
3 about a 21.2 percent response rate, which I felt very
4 pleased that we had that many who responded.

5 So, we're starting to delve into the results
6 of that survey, and we'll develop a thorough plan
7 that'll include some actionable efforts to be responsive
8 to the specifically to the results of that survey. But
9 preliminarily, what we've seen from these initial
10 results — and you can see the staff have kind of
11 expressed kind of three key things in initially.

12 One, that they desire better communication to
13 reach all levels of the organization. Two, they want to
14 see a leadership that embodies integrity, honesty,
15 openness, and directness. And three, that staff
16 appreciate and support CALPIA's mission. In fact, many
17 of the staff commented that the incarcerated workers are
18 what keep them coming back to work, day to day.

19 So, we remain committed to continuous
20 improvement at all levels of the organization, and we
21 intend to more heavily involve staff as we go forward.
22 And, this is really, you know, while this is somewhat of
23 an isolated survey, it's still part of our overall
24 strategic planning efforts as we continue just to strive
25 to make our organization better. Both our civil service

1 team, as well as our incarcerated work force.

2 BOARD MEMBER DAVISON: Bill?

3 GENERAL MANAGER DAVIDSON: Yeah?

4 BOARD MEMBER DAVISON: What was the third one
5 again?

6 GENERAL MANAGER DAVIDSON: The third was a —
7 the thing that we noted from these responses is staff,
8 that they commented that they appreciate and that they
9 support and understand what CALPIA's mission. And,
10 again, as I mentioned, many of them commented that it's
11 the incarcerated workers and their interaction with them
12 that keeps them coming back to work on a day-to-day
13 basis.

14 BOARD MEMBER DAVISON: And how did these — or,
15 how did the survey compare to what the issues were at
16 that particular institution of that anonymous letter?
17 And first, let me say, I think that it's very admirable
18 that you did this based on an anonymous letter, because
19 usually anonymous letters are anonymous letters. You
20 know? And it's really hard to pin down things when
21 people don't put their names on something, complaints.
22 But how did that compare to what you heard from that
23 letter?

24 GENERAL MANAGER DAVIDSON: Yeah. So, again,
25 kind of preliminarily, on the surface — I don't think

1 that the general feeling was as indicative as what that
2 one individual felt at that one institution. I don't
3 think it's as — that feeling is as pervasive as that one
4 individual felt. But certainly, there are some common
5 themes that are things that we can work on and can do
6 better. And I think a key thing is that whole
7 communication piece.

8 BOARD MEMBER DAVISON: Mmmm hmmm.

9 GENERAL MANAGER DAVIDSON: Right? That, and
10 not just communicating, you know, to our front level
11 managers and supervisors, but it gets down to all
12 aspects of the organization. And I'll share another
13 thing that's kind of brought that to light, is you know,
14 we had a meeting couple months ago with the supervisors,
15 the custodian supervisors over at the HFM program, and
16 they shared some of that same feeling that they were
17 kind of focused on a specific issue relative to
18 custodian pay, but they said, "We don't know, and we
19 don't — we know that things are going on, we know that
20 efforts are being made in this area, but we don't know
21 what's going on with that. We don't hear that."

22 And so, there are some things that we've done
23 to try to better communicate those issues. But I think
24 that the communications with staff is a key thing that
25 we're focused on and working on.

1 BOARD MEMBER DAVISON: Well, and prior to the
2 pandemic, you were having the group staff meetings, you
3 were getting out there and doing that. And then the
4 pandemic hit. So, do you think that that had something
5 to do with that?

6 GENERAL MANAGER DAVIDSON: So, give me about
7 five minutes, Dawn—

8 BOARD MEMBER DAVISON: Okay.

9 GENERAL MANAGER DAVIDSON: — and we'll get
10 right to that.

11 (Laughter)

12 Because, yes.

13 BOARD MEMBER DAVISON: Okay.

14 GENERAL MANAGER DAVIDSON: We absolutely are.

15 BOARD MEMBER VAUGHN: I think it's impressive
16 that you guys had the foresight to really start an
17 engagement process. I mean, you know, the organization
18 has been through some transition. Right? And I think
19 replying back in to the staff and the way that you guys
20 are doing it is a very prudent way to go about really
21 reestablishing the trust, right, that's there under your
22 leadership, right? I think that's important, is that
23 you begin to set a tone that's reflective of your style
24 of leadership, and the staff can respond to that. So,
25 congratulations.

1 GENERAL MANAGER DAVIDSON: Thank you. And I,
2 I do have to give Mr. Macomber a little bit of credit
3 here, because he — he's shaking his head no. But he did
4 recommend that as well. And I think it was a good, very
5 good recommendation that he came down.

6 BOARD MEMBER VAUGHN: Excellent. Excellent
7 work, you guys.

8 GENERAL MANAGER DAVIDSON: We do look — I
9 mean, I'm always a little bit cautious when we do
10 surveys. Because I don't like to put surveys out
11 without an intention and an ability to respond to those
12 surveys. Because the last thing I want to do is put a
13 survey out, 220 people take the time to respond to a
14 survey, and then we do nothing with that response. So,
15 to me, that's the key thing. These are all good and
16 fine talking points here, but it's going to be three,
17 four, five months down the road when we show what we've
18 done as an action and response to those.

19 BOARD MEMBER AGHAKHANIAN: So, Bill, when's
20 the next time? Are we going to do this annually just to
21 do a comparison?

22 GENERAL MANAGER DAVIDSON: So, we do have a
23 strategic planning process that this, surveying and
24 working with our staff and putting together action plans
25 is part of our ongoing strategic plan. And strategic

1 planning is another thing that's a little bit
2 interesting, because we talked about, you know, our 2021
3 strategic plan, or our 2022 strategic plan. But really,
4 from my perspective, a strategic plan is an ongoing,
5 evolving, continual effort and process. It's not a one-
6 year focus, it's an ongoing perpetual thing. But yes,
7 this is part of that overall strategic planning effort.

8 SECRETARY MARION: I just wanted to make note
9 for the record, that Board Member Singh is in
10 attendance. Welcome, Mr. Singh.

11 GENERAL MANAGER DAVIDSON: It's good to have
12 you here, Mr. Singh. And, great to see you.

13 So next, I just want to take a moment and
14 share with you some results from our information
15 security audit. We just got those results back about
16 two weeks ago, and that audit was conducted by the
17 Department of Technology. And this is an audit that's
18 conducted once every four years. And the purpose of the
19 audit is to assess how securely the CALPIA safeguards
20 and protects the systems that we manage and the data
21 that we're entrusted with, and how completely that we
22 enact and follow the policies that govern these
23 safeguards.

24 The audit began back in the summer of 2021,
25 and it included gathering over 350 different artifacts

1 for review by the technology department. At the
2 conclusion of the audit, there were 17 findings that
3 were noted. That number may seem high initially. At
4 least for me, when I heard that we had 17 findings, that
5 seemed a little bit alarming and seemed like a high
6 number to me. And I'm glad that you're shaking your
7 head no, because I was a little concerned at first.

8 But in their audit report, CDT, our Department
9 of Technology, they noted that, "CALPIA had among the
10 best scores of any California state agency." And that
11 also, "CALPIA was the only agency which had in place all
12 of the required policies."

13 And speaking to the number of findings that
14 were identified, CDT stated that CALPIA came in far
15 below average, as far as the number of findings. And I
16 will say that this is due to the security team's
17 proactive efforts in resolving or mitigating the risks
18 that prior audits had identified, and that they've been
19 working on over the past four years.

20 The audit team also noted that of all the
21 state agencies that they had audited to date, CALPIA was
22 the only one that had developed all the required
23 security policies. And this can be partially or largely
24 attributed and credited to the CDCR, CCHCS, and CALPIA
25 policy collaboration effort that is ongoing. We do take

1 all of the audit findings seriously and have already
2 been addressing most of them prior to the report coming
3 out, and we will ensure that all concerns that are
4 raised are mitigated.

5 But I wanted to just be sure to point this out
6 and to recognize Suzie Changus, our CIO, and her very
7 talented team. Notably, Andy Brannon, who is our
8 Information Security Officer, and Teresa Cook, Claudia
9 Morfin, Gabby Hubbell, and Ryan Hame. We are fortunate
10 to have this talented and capable team who are leading
11 in this important and key area of our operations.

12 BOARD MEMBER AGHAKHANIAN: Bill, when you're
13 saying, "Compared to the other," what did— are we
14 talking the whole state? Everyone?

15 GENERAL MANAGER DAVIDSON: Yes. So, the
16 Department of Technology, they perform these information
17 security audits across state government, for all state
18 (INDISCERNIBLE).

19 BOARD MEMBER AGHAKHANIAN: I think you should
20 print that, put it on a banner, put it by the entrance.

21 (Laughter)

22 GENERAL MANAGER DAVIDSON: So, I will tell
23 you, when Suzie shared this at our executive staff
24 meeting last week, I think that's almost exactly what
25 Michele said. We have — but I do think it's important

1 to note. Because, that's not an insignificant
2 accomplishment, and —

3 BOARD MEMBER DAVISON: Where, where is Suzie?
4 I think she should stand up.

5 Yes.

6 (Applause)

7 GENERAL MANAGER DAVIDSON: Suzie and her team
8 do remarkable work. So, I'm very pleased with that.

9 Now, I do want to, as Dawn mentioned a few
10 minutes ago — very excited that we've been able to start
11 returning and getting out to the institutions and
12 meeting in person with our team out in the field. And I
13 want to update you on some of the recent events that
14 we've already been able to do, and make sure that you're
15 all aware of other upcoming events. And I do want to
16 extend an open invitation to any and all board members
17 who are able to and wish to join us at any of our
18 graduation ceremonies that we have scheduled.

19 So, last month, on May 12th, we had a — held a
20 graduation that was actually carried out in two separate
21 ceremonies, out at Mule Creek. And it was to recognize
22 those incarcerated workers who had completed
23 apprenticeships in fabric products, HFM, and coffee
24 roasting. We then did hold an all-staff meeting a
25 couple weeks later on May 24th at Kern Valley State

1 Prison, in which the executive team had the opportunity
2 to meet with staff from eight different institutions in
3 the Central Valley area. We were able to share
4 information with them, as well as hold an open dialogue
5 question and answer session. And this was very well
6 received by staff in the field.

7 And coming up, so I hope you can take some
8 notes here, but there's quite a few dates here, so
9 Michelle or I are happy to send them to you separately.
10 But we have future graduations planned on July 26th at
11 RJ Donovan down in San Diego. August 24th and 25th at
12 CIM and CIW, respectively. September 15th will be at
13 Salinas Valley. And on October 6th, and I hope that you
14 all put this note down, because on October 6th, we're
15 planning to hold our next board meeting down at CMC, and
16 we'll also hold a graduation down there at CMC. So,
17 we'll have a board member — or a board meeting, as well
18 as be able to attend a graduation there.

19 In conjunction with these graduations, we'll
20 also maximize that time and conduct all staff meetings
21 with our field staff on July 27th out at Centinela. And
22 I will tell you that I've had a number of folks not
23 really happy with me for scheduling a July all-staff
24 meeting in Centinela. But I figure if our staff can go
25 to work in July in Centinela, we can join them in

1 Centinela in July as well.

2 August 24th, we'll have an all-staff meeting
3 at CIM, and October 26th, we'll hold one at Folsom, and
4 the 27th for our central office staff. And again, I
5 know that's kind of a lot to try to digest here, so
6 please, Michele and I will send you out those dates, so
7 you'll have them consolidate there in an email.

8 But again, we want to invite any of you who
9 can attend any of those graduations, we would love to
10 have you there. And if you'd like, give you an
11 opportunity to speak and share some thoughts with the
12 folks there. And that would be great. And, again,
13 please, specifically remember that October 6th date,
14 because that will be where we'll hold our next board
15 meeting.

16 BOARD MEMBER AGHAKHANIAN: So, I don't know if
17 you've already done this, but for the two outgoing board
18 members, did they have any kind of a farewell party, a
19 plaque, something?

20 GENERAL MANAGER DAVIDSON: We do have — we've
21 made plaques.

22 BOARD MEMBER AGHAKHANIAN: Is it possible to
23 invite them to our next meeting to acknowledge them?

24 GENERAL MANAGER DAVIDSON: I did. I —

25 BOARD MEMBER AGHAKHANIAN: Oh, you invited

1 them?

2 GENERAL MANAGER DAVIDSON: — I invited them
3 here today.

4 BOARD MEMBER AGHAKHANIAN: But they didn't
5 show up?

6 GENERAL MANAGER DAVIDSON: Yeah. And I don't
7 want anybody to take anything personal from that, but
8 they're retired.

9 (Laughter)

10 And to be perfectly candid, they're done. And
11 again, they — it was met with no disrespect or anything
12 negative at that. But I did invite them to come today
13 for specifically that, and they appreciated the
14 invitation, but.

15 BOARD MEMBER VAUGHN: They're done.

16 GENERAL MANAGER DAVIDSON: And for Bob, I
17 think that's his first step towards irrelevancy, but.

18 (Laughter)

19 But I appreciate that sentiment, because I
20 feel the same way. They should be recognized, and nine
21 years, 21 years, even 11 or eight years as a board
22 member is worthy of a plaque and some type of
23 recognition.

24 BOARD MEMBER AGHAKHANIAN: Do we have any kind
25 of a wall with all the former board member names, or

1 something, or pictures? Do we have anything like that?

2 GENERAL MANAGER DAVIDSON: What was that?

3 BOARD MEMBER AGHAKHANIAN: Do we have like a
4 wall with former, current board member pictures or
5 something?

6 BOARD MEMBER MARTIN: That's at the post
7 office.

8 (Laughter)

9 BOARD MEMBER AGHAKHANIAN: Even in Burbank?
10 I'm just curious.

11 GENERAL MANAGER DAVIDSON: We don't, but that
12 — I don't know that that's a bad idea to have some type
13 of wall of fame.

14 BOARD MEMBER AGHAKHANIAN: I mean, you got us
15 this nice fancy plaques now, you know what I mean? I
16 love these, by the way. They look great.

17 GENERAL MANAGER DAVIDSON: I am so happy that
18 — did you see he noted that?

19 (Laughter)

20 BOARD MEMBER AGHAKHANIAN: And the new chairs.
21 I noticed them, they're beautiful.

22 GENERAL MANAGER DAVIDSON: I—

23 BOARD MEMBER AGHAKHANIAN: Did you make them,
24 Bill? Did you do this yourself?

25 BOARD MEMBER DAVISON: Very nice.

1 GENERAL MANAGER DAVIDSON: Folsom, Folsom made
2 them.

3 BOARD MEMBER AGHAKHANIAN: Folsom these?

4 GENERAL MANAGER DAVIDSON: Yes.

5 BOARD MEMBER AGHAKHANIAN: Wow.

6 GENERAL MANAGER DAVIDSON: Yup. So, this is
7 great work that's done at the Folsom.

8 VICE CHAIR SINGH: I plan on taking that with
9 me.

10 GENERAL MANAGER DAVIDSON: When you—

11 (Laughter)

12 GENERAL MANAGER DAVIDSON: When you retire.

13 BOARD MEMBER VAUGHN: Here's your plaque.

14 (Laughter)

15 GENERAL MANAGER DAVIDSON: We'll let you take
16 it when you retire, but not today, though.

17 Okay, so just a couple more quick items. So,
18 at the end of next week, Michele Kane, Mr. Jenkins, who
19 couldn't be here today, and myself, we've been invited,
20 and we have the opportunity to go down and meet with and
21 provide a presentation to the Chief Probation Officers
22 of California, or CPOC.

23 We'll provide them with an overview and an
24 education of what CALPIA is, and what our mission is
25 relative to rehabilitative services. We'll also share

1 with them our recent recidivism study and our report to
2 the legislature, and we'll talk to them about our shared
3 and connected mission and efforts. We look forward,
4 very much forward to getting out more, and educating
5 more groups and individuals about the good work that we
6 do, and furthering these relationships and connections
7 with those groups and organizations that can benefit
8 from our efforts.

9 Also, the first few days of August, we'll be
10 hosting representatives from Australia's correctional
11 industries, and we'll provide them with tours of our
12 operations at both Folsom and Mule Creek. And again,
13 another great opportunity to share what we do with them,
14 and hopefully to also learn some best practices from
15 what they do in Australia.

16 And now, this is the next to last thing that I
17 wanted to share. And I'm really excited about this one.
18 Many of you, I know, have been down to CIM, and seen the
19 dive program down there. And you've met Jeff Powers,
20 who's been the instructor down there for 16 years. Well
21 Jeff recently let us know that he's selling his place in
22 California and he and his wife are moving to Texas. So,
23 he will no longer be our dive instructor.

24 And, as you can imagine, it's not easy to go
25 out and find a new dive instructor for a dive program

1 inside a correctional institution. I think we are very
2 close to landing the perfect scenario and situation for
3 that. There's an individual that's been identified, who
4 is a formerly incarcerated individual, who has — who
5 went through the program, was released from prison in
6 2008, finished parole in 2009, and since 2009 has been
7 living in Mississippi working in the Gulf Coast as a
8 leader of dive team there in the Gulf Coast.

9 So, the only thing we are lacking at this
10 point is the completion of his background. We've got
11 the FBI background check back; we're still waiting for
12 the DOJ one. DOJ has been backlogged on some of their
13 background check issues. We'll push them to get that as
14 quickly and expeditiously as we can. But, barring any
15 issues there, we will be contracting with this
16 individual to be our dive instructor at CIM.

17 And again, I think this is the perfect
18 scenario from two counts. One, he's the most qualified
19 person to do it. I mean, he is trained, experienced,
20 and will do a great job in doing that. And again, it's
21 just an opportunity for us to practice what we preach
22 and bring them back to work for us. And so, I'm super
23 excited about that. And hopefully, at our — sooner than
24 our next board meeting, that we can share that yes, it's
25 a done deal and he is our—

1 BOARD MEMBER VAUGHN: This is great news.

2 BOARD MEMBER DAVISON: That's wonderful.

3 (Applause)

4 BOARD MEMBER VAUGHN: I was excited when you
5 told me yesterday. I remain excited, and I'm over the
6 moon. But this is really, to me, the full culmination
7 of the work that we do. Like, in terms of really
8 talking about rehabilitation. Being able to, you know,
9 hire someone that, you know, went to one of our programs
10 and completed their life. Really, this needs to be
11 celebrated, because this is really the example that I
12 hope we all are here to do this type of work, and make
13 sure that peoples' lives are being rehabilitated, and we
14 believe in that work. It says that we believe in our
15 own work.

16 GENERAL MANAGER DAVIDSON: Yeah. And I'm sure
17 we can all imagine just the connection he will have to
18 those individuals in the program. I mean to me it's
19 just the perfect, perfect scenario here. So, something
20 we're very excited about.

21 BOARD MEMBER AGHAKHANIAN: So, great news, by
22 the way. I thought you guys were going to hire me to be
23 a dive master.

24 (Laughter)

25 GENERAL MANAGER DAVIDSON: You were next on

1 our list.

2 BOARD MEMBER AGHAKHANIAN: I still have to go
3 and dive that. Those will be done when I'm a dive
4 master. So. I've got to come and visit them.

5 GENERAL MANAGER DAVIDSON: Yes.

6 BOARD MEMBER AGHAKHANIAN: So, I love the fact
7 that, you know, we are bringing these individuals back
8 in and getting them jobs. And do we have any kind of
9 data, especially post pandemic? Because, you know,
10 there's a shortage of labor out there. In terms of, you
11 know, how many of our formerly incarcerated individuals
12 get jobs? And have we seen a bump since COVID?
13 Because, as some of you are aware, right now it's hard
14 to find workers. You know? Especially in certain
15 industries. I'm just curious if we are keeping any of
16 that kind of data that we could present saying, "Well,
17 this percentage of people that went to our programs now
18 have good paying jobs."

19 GENERAL MANAGER DAVIDSON: So, that's a great
20 question. And that is something that we have struggled
21 on, that data just has not been available. But Rusty
22 and his team have been working closely, and I think we
23 are very, very close to having. Again, it's going to be
24 kind of a day forward type of thing. I don't know that
25 we're going to get a whole lot of historical data, but

1 day forward data that will help us track exactly that
2 issue. Because, to me, again, going back to our
3 recidivism study, right? We have our recidivism study,
4 a great study, great information, but from that, I think
5 there are two key things that need to be our next focus.

6 One, is that. To track employment post
7 release, right? To see what impact that has on
8 recidivism. Again, intuitively, I think we've all can
9 imagine and know what impact that has. But it will be
10 good to have a study that shows exactly how much of an
11 impact it has. And then number two, a study looking at
12 by enterprise. I mean, what the recidivism numbers are
13 by enterprise.

14 But that data piece, or that employment piece
15 is huge. And that's a key thing, and I know Dr. Turner
16 at UC Irvine, who led the prior studies, she's very
17 interested in being able to gather and have data on that
18 same (INDISCERNIBLE).

19 BOARD MEMBER AGHAKHANIAN: That'd be
20 wonderful. And I think if you hire this individual just
21 to highlight them, and have the rest of us have that
22 info to share as well with some of our networks, just to
23 see, you know, how far the impact of what we do goes.

24 GENERAL MANAGER DAVIDSON: Absolutely, and,
25 you know, we'll talk in a little bit about this Senate

1 Bill 1089, the Optical Bill, right? I wish that we had
2 data to show. I mean, we certainly have anecdotal data.
3 I mean, we can show individuals here and individuals
4 there. Ones who come back and share information with
5 us.

6 But we don't have a solid tracking mechanism,
7 and haven't had, to be able to do that. And I would
8 love to have been able to say, yes, you know, these are
9 the numbers and percentages of the folks who went
10 through the Optical Program with PIA that are working
11 either in that field, or related fields, post release.
12 That — we need to have that.

13 BOARD MEMBER VAUGHN: And can you remind me
14 again, when you're going to go meet with CPOC?

15 COMMISSIONER WEISGALL: July 6th.

16 BOARD MEMBER VAUGHN: July 6th. I think
17 that's an opportunity, and I would love to meet with you
18 and the team that's going before to make sure that we
19 speak to really that group about connecting the CCP
20 component, which is, you know, the correctional piece,
21 with the PSRCS that's coming out. Those post community
22 supervisor individuals coming out and connecting those
23 jackets together with the employment, the work that we
24 do. I think that the Chief Ovation Team need to hear
25 that. Especially since we're doing the work in LA. I

1 think it would be great to bring that up to CPOC.

2 GENERAL MANAGER DAVIDSON: I would like to, if
3 you're available sometime later this week, Rusty,
4 Michele, and I could — to get some time just to some of
5 the stuff we talked about yesterday, to follow up on.

6 BOARD MEMBER VAUGHN: Perfect. Yeah, we can
7 make it happen.

8 GENERAL MANAGER DAVIDSON: Perfect.

9 BOARD MEMBER DAVISON: And that, that is
10 something that our committee is working on.

11 BOARD MEMBER AGHAKHANIAN: Right.

12 BOARD MEMBER DAVISON: And, plus we later
13 will, I think, touch on that. And we'll do our
14 committee reports. Also, the — making sure that we hire
15 our own graduates and making that commitment openly that
16 we're not just asking other employers to hire our
17 program's graduates, but that we as CALPIA make a
18 commitment to hire our own.

19 GENERAL MANAGER DAVIDSON: Absolutely.

20 BOARD MEMBER AGHAKHANIAN: And once we get
21 that data, just put it in big bold letters, and
22 graphics, cause the legislators, you know, they are not
23 going to read. Just put them in nice little graphics,
24 and so we can hand it to them. So that way, you know,
25 they can stop asking certain questions.

1 But I know that there's a report later on
2 emphasizing more on that factor. But I'm being actually
3 very honest about it. Because, again, right now there's
4 a desperate push by the legislators trying to see in
5 terms of job creations.

6 If you look at higher education right now, 20
7 percent drop out in college right now. Becoming a big
8 issue, the Governor's about to start cutting some of the
9 funding. You heard Oakley just resigned, you know, from
10 the higher. And so, higher education's becoming
11 impactful, and part of it is because younger people are,
12 like, "I can go — what's the point of going to college,
13 I can get the same job and I'm going to make three, four
14 bucks more."

15 And people, what are forgetting, especially in
16 certain communities who are traditionally marginalized,
17 is, you know — or historically marginalized, is I know
18 we're going to lose a generation of individuals who had
19 an opportunity for higher education. And that's going
20 to impact California in a decade or so, which no one is
21 talking about.

22 But I think for us, this is an opportunity. I
23 heard coffee roasting, you know, I mean that's another
24 interesting area right now, with, you know, the
25 industry. And, you know, I love coffee. So.

1 (Laughter)

2 Next time. But I really appreciate, and I
3 know if we can, we're going to get this data soon. But
4 I think it is important. Because, what's coming next
5 year, we had a great year in California, but next year
6 everyone's getting buckled up because there's going to
7 be a lot of issues with funding. All the one-time
8 fundings are out now, everyone's trying to just scrape
9 the bottom. And I think we can come back with the facts
10 saying, "Here's what we're doing, these are the jobs
11 that are important in California, and we're helping
12 here." So. I'm certain we'll get that data soon.

13 GENERAL MANAGER DAVIDSON: Thank you.

14 BOARD MEMBER MARTIN: So, just really quick,
15 just to touch on that. What is it that's being put in
16 place to go ahead and track some of this? And will that
17 same program allow them to be able to access their
18 certificates, as we talked about? I know that would
19 have been — had been one of my, kind of projects, pet
20 projects, to try and get them the access they need so
21 that they can get their information at their fingertips.
22 And maybe, at the same time, be able to put, "Hey, I'm
23 currently working here." Right? So, what are we
24 putting in place?

25 GENERAL MANAGER DAVIDSON: If it's okay —

1 BOARD MEMBER MARTIN: Please.

2 Someone else is going to? Fantastic.

3 GENERAL MANAGER DAVIDSON: No, no I'm just
4 saying later in the meeting, they'll be doing an update
5 on the work of their sub-committee —

6 BOARD MEMBER DAVISON: Yes.

7 GENERAL MANAGER DAVIDSON: — that will speak
8 specifically to that. If it's okay, we'll hold off
9 until then.

10 BOARD MEMBER MARTIN: I'm good.

11 GENERAL MANAGER DAVIDSON: Perfect. Okay,
12 thank you.

13 So, the last thing that I wanted to share, and
14 maybe I shouldn't have — maybe I should have done this
15 earlier and not had this till the last one. But, as
16 most of you know, when the Governor announced his
17 revised budget last month, he announced that between now
18 and the end of June 2025, there'll be three additional
19 prison closures beyond the DVI and the CCC closures
20 already announced. We don't know yet which institutions
21 these will be, or the timing on the closures, but I do
22 want to just mention that we, we're committed to begin
23 working with our staff and the impacted institutions
24 with the intent to mitigate any potential layoffs that
25 may occur when that happens.

1 And as with the DVI closure, we will
2 communicate from day one with staff at these
3 institutions to work on plans to help them transition to
4 other institutions as appropriate. Obviously, I can't
5 make any commitments or guarantees on anything now, but
6 I will commit and guarantee that we will do all we can
7 to help transition following those guidelines. Yes?

8 BOARD MEMBER MARTIN: Do you know if there's
9 anything being done besides — for our staff, but also
10 for the community that we're leaving the institutions
11 at? Like, for instance, Susanville?

12 CHAIR MACOMBER: So, let me jump in and say,
13 you know, that the closure of Susanville was put on
14 hold, and we haven't drawn that notice. There's
15 currently court litigation going on on that. And so,
16 that is on hold.

17 Our plan though, is to work with some of the
18 workforce folks in the state to help the communities and
19 individuals. Because there are some individuals, you
20 know, where we are going to close facilities that are
21 not going to want to relocate. So, we want to do our
22 best to see if we can help assist them with either
23 remote work or new career opportunities. We think
24 there's some options now as well. You know, we have
25 certain offices that are regionalized, and a lot of

1 those folks are working at home. And so, we're hoping
2 to leverage some of that to make available positions
3 that they may be able to stay in their current location,
4 and with the state.

5 BOARD MEMBER MARTIN: Appreciate that.

6 GENERAL MANAGER DAVIDSON: Thank you, Jeff.

7 So, again, I just wanted to put that out
8 there, because I know from our staff's perspective
9 that's really high on their mind, and there's a lot of,
10 you know, questions and concerns. Which institutions
11 are going to be — again, we don't know what that will
12 be, but when we do find that out, we will begin those
13 efforts immediately to work with those institutions.

14 And again, there will likely be at least an
15 HFM program in each institution so that the process to
16 close down those enterprises and if there— if it's an
17 institution that has additional enterprises there, you
18 know, the efforts or plans to perhaps move that
19 enterprise to a different institution or, you know,
20 consolidate it with others, we'll just — we are poised
21 and ready to start that process as soon as those
22 institutions are identified.

23 So, that's enough of my long-winded talking
24 today. But again, I appreciate you taking the time to
25 hear me out, and a lot of good things going on.

1 BOARD MEMBER DAVISON: I have a question,
2 really quick. I know that COVID numbers have been going
3 up and down at the different facilities. Has that
4 impacted any of our operations? The incarcerated
5 people's numbers plus the staff have been going up and
6 down. Have any of the enterprises been affected?

7 GENERAL MANAGER DAVIDSON: It certainly
8 continues to impact us. I will say, and I'll speak a
9 little more to this too when we talk about the annual
10 plan and incarcerated individual work assignments. But,
11 you know, CDCR has been great. They've been wonderful
12 and it feels to me that they are prioritizing the PIA
13 enterprises, as far as getting workers out to those
14 enterprises. That feels very much to me like a priority
15 of CDCR.

16 That being said, when there's a quarantine, or
17 a, you know, a lockdown, there's only so much that can
18 be done at that. So, yes. We still struggle to have
19 the positions filled, and from time to time. And we
20 haven't had any long-delayed lockdowns for a while, or
21 shutdowns of an enterprise. But we do have some, you
22 know, that could a day up to five days, you know, for
23 different COVID-related issues. And so, I would say
24 it's been much less so of late than it was, you know, a
25 while back. But it is still something that we struggle

1 with to some degree. But I certainly see the trend
2 continuing for the positive.

3 BOARD MEMBER DAVISON: But nothing long-term
4 here?

5 GENERAL MANAGER DAVIDSON: Correct.

6 BOARD MEMBER DAVISON: Thank you.

7 CHAIR MACOMBER: And I will, if I can add to
8 that, CDCR and CCHCS are also looking at revising the
9 policy. So, when we do have to do a quarantine, that
10 we're going to make that by housing unit versus
11 facility, which will allow us to not impact program
12 quite as much, we're hoping. And so, that's helpful.

13 But the reality is, is we, you know, yesterday
14 we still had, you know, around 900 staff positives. I
15 think we had around 700 incarcerated individuals that
16 were positive. So, it's nothing like the outbreaks
17 we've had in the past where we've had, you know, 10,000
18 and 3,000 out at a time. But it's just been kind of a
19 steady rate.

20 And I will also say that we're in a much
21 better spot, and then we're not seeing hospitalizations
22 like we were in the past. You know, it's milder
23 symptoms. So, we are in a better spot, and we're
24 continually trying to adjust so we can keep programs up
25 and running. Because we don't like being up and down

1 either. I know Bill and his folks certainly don't.

2 GENERAL MANAGER DAVIDSON: And that was—

3 CHAIR MACOMBER: Great.

4 GENERAL MANAGER DAVIDSON: — it, that I wanted
5 to share.

6 CHAIR MACOMBER: Any further questions for Mr.
7 Davidson?

8 Well, thank you. Now, we'll move on to Agenda
9 Item A. Mr. Davidson, Action Item A

10 GENERAL MANAGER DAVIDSON: Alright. So, I'm
11 going to invite up Nicole Collins, our Assistant General
12 Manager for Operations, to share Item A.

13 ASSISTANT GENERAL MANAGER COLLINS: Thank you.
14 Good morning, Mr. Chairperson, and members of the Board.
15 As Bill said, my name is Nicole Collins, I'm the
16 Assistant General Manager for Facility Operations with
17 the California Prison Industry Authority. Today, I will
18 be presenting two Board Action Items covering
19 operational efficiencies.

20 And the first Action Item is regarding San
21 Quentin furniture. So, if you can — would you please
22 turn your binder to Action Item A.

23 The furniture enterprise produces a wide
24 variety of furnishings, from seating, wood-case goods,
25 storage, to residential furniture. There are three

1 furniture factories located at — one of them is at
2 Avenal State Prison, or ASP. One is at the California
3 Training Facility, CTF. And the other one has been as
4 San Quentin State Prison, or I'm going to refer to it as
5 SQSP.

6 San Quentin was impacted by a COVID break very
7 early on. And, in partnership with CDCR, CALPIA moved
8 the equipment out of the furniture factory located at
9 San Quentin, to create a COVID triage area. CDCR is no
10 longer in need of this triage area, and the space is
11 again available to CALPIA. But at this point, San
12 Quentin furniture factory has never reopened.

13 During the time San Quentin furniture was
14 unavailable for production, ASP and CTF made operational
15 efficiencies. Through these efficiencies, ASP and CTF
16 have been able to meet all customer orders and will be
17 able to meet ongoing customer needs. The current
18 production capacity for ASP and CTF combined, is about
19 \$9.3 million, with forecasted sales of \$8.0 million
20 moving forward. So, you can see there's plenty of
21 production capability based on the ongoing sales.

22 There would be an impact to staff at San
23 Quentin. The total staff would decrease by seven civil
24 service positions and 147 incarcerated individual
25 assignments. As we all know, San Quentin is a hard to

1 recruit area. Several CALPIA staff live in the
2 Sacramento area, and commute to San Quentin.

3 As for most staff, they live closer to other
4 institutions. They have been transferring to other
5 CALPIA locations on their own volition. Currently,
6 there is only one civil service staff that's still
7 assigned to the San Quentin furniture factory. And the
8 staff has expressed interest in moving to a position at
9 Folsom, and we will work through the HR process with
10 that one employee to retain the staff in the CALPIA
11 workforce.

12 I will say that the individual has expressed
13 and has had opportunity and will continue to have
14 opportunity at a multitude of institutions, so as we
15 have done in the past, we've mitigated the layoff
16 potential and will ensure that this employee continues
17 employment with CALPIA, to the best that we can,
18 provided he is interested in that.

19 GENERAL MANAGER DAVIDSON: And just to add a
20 little bit, that individual who is assigned to the San
21 Quentin furniture, has not been working in San Quentin,
22 because there's been no furniture work going on there.
23 They have actually been working in Solano at the optical
24 or laundry, Solano laundry, I believe. So that's where
25 that individual has been working for quite a while. So,

1 be easy to absorb into attrition into another area.

2 ASSISTANT GENERAL MANAGER COLLINS: Yeah, and
3 he has — Bill, to your point, he has actually worked in
4 several factories at Solano, and has expressed in one of
5 those, and we are at the point where we are going to
6 have a vacancy. So, through the attrition process, we
7 are going to be able to offer him that opportunity.

8 Since the furniture factory has been non-
9 operational for approximately two years, the
10 incarcerated individuals have already transitioned to
11 other programs, and therefore there is no additional
12 impact to the incarcerated individual workforce. Based
13 on the operational gains achieved and mitigation to
14 staffing impacts, we request your approval for San
15 Quentin furniture closure to begin on July 1st, 2022,
16 and to be completed by June 30th, 2023. Thank you for
17 your time.

18 BOARD MEMBER AGHAKHANIAN: So, what about the
19 equipment?

20 ASSISTANT GENERAL MANAGER COLLINS: A lot of
21 the — all the equipment has already been moved out of
22 the factory, and the items that we could use have
23 already been transferred over to either Avenal, or
24 California, CTF. So, we're utilizing the equipment in
25 the other furniture factories.

1 VICE CHAIR SINGH: And, if there's any that
2 can't be utilized there, we'll sell it off.

3 BOARD MEMBER MARTIN: So, seeing as it's been
4 closed for approximately, what, a year and a half, two
5 years almost?

6 ASSISTANT GENERAL MANAGER COLLINS: Yeah,
7 close.

8 GENERAL MANAGER DAVIDSON: A little over two
9 years.

10 BOARD MEMBER MARTIN: And why is it given— and
11 all the furniture's been, I mean, all the equipment's
12 been moved out. Most of the staff. What's going to
13 take so long to close it down? And it's — you're asking
14 for a year. So, I'm just wondering why a year?

15 GENERAL MANAGER DAVIDSON: I can't tell you
16 why it's been a year, but we made it—

17 BOARD MEMBER MARTIN: I mean, that's what
18 you're asking, to close it down from July 1st to 2023.
19 So, it's going to take that year.

20 GENERAL MANAGER DAVIDSON: Oh, why is it going
21 to take a year to close down?

22 BOARD MEMBER MARTIN: Yeah.

23 GENERAL MANAGER DAVIDSON: It probably won't
24 take a year. It will probably take a couple of months
25 at most.

1 BOARD MEMBER MARTIN: Okay.

2 GENERAL MANAGER DAVIDSON: But it's —

3 BOARD MEMBER VAUGHN: Basically, you just —

4 GENERAL MANAGER DAVIDSON: We'd rather give
5 ourselves enough time to —

6 BOARD MEMBER VAUGHN: You just put it in this
7 budget's fiscal year, basically. Sounds like you're
8 just putting the closure in the fiscal year, so anything
9 that, any expenditure that's related to that, you can
10 mitigate and move around just withing that fiscal year.
11 But it probably is not going to take that long to close
12 it down.

13 GENERAL MANAGER DAVIDSON: Yeah. Yeah, the
14 actual process of closing it down, it won't take 12
15 months.

16 BOARD MEMBER MARTIN: The civil service
17 positions that you still have there, you said most —
18 there's one that is working at Solano.

19 ASSISTANT GENERAL MANAGER COLLINS: Correct.
20 The other six have already, on their own accord, applied
21 and accepted other positions within CALPIA. So, we just
22 have the one remaining staff to find placement for or
23 provide opportunity.

24 GENERAL MANAGER DAVIDSON: And we have not,
25 obviously, backfilled those positions.

1 BOARD MEMBER MARTIN: Right.

2 GENERAL MANAGER DAVIDSON: When people leave,
3 and they're vacant, we will take them off our books.

4 BOARD MEMBER MARTIN: And then, are we going
5 to start any other programs? Obviously, we try to train
6 the individuals there, right? And I know we have the
7 360 program, the programming program. What else are we
8 going to create in that facility to help some of the
9 inmates as they parole and leave the institution, so
10 that we can help them live a better life?

11 GENERAL MANAGER DAVIDSON: So, our plan is
12 that that space would be vacated and then CDCR would
13 utilize that space for program, but we would not.

14 BOARD MEMBER MARTIN: So, there's no other
15 program planned for San Quentin's?

16 GENERAL MANAGER DAVIDSON: No.

17 BOARD MEMBER MARTIN: Okay.

18 BOARD MEMBER AGHAKHANIAN: I think you should
19 roast coffee. Quentin Coffee.

20 (Laughter)

21 BOARD MEMBER AGHAKHANIAN: I'd buy it.

22 BOARD MEMBER MARTIN: Send it to staff, San
23 Quentin Coffee. I bet it would be a hot seller.

24 UNIDENTIFIED SPEAKER: Have you had Mule
25 Creek?

1 UNIDENTIFIED SPEAKER: A hotter seller than
2 Mule Creek's?

3 BOARD MEMBER MARTIN: Yeah, no. That's why I
4 said San Quentin's. I used to work at Mule Creek.

5 UNIDENTIFIED SPEAKER: Quentin Coffee, hard
6 and none comes out.

7 BOARD MEMBER VAUGHN: No.

8 GENERAL MANAGER DAVIDSON: But I know that
9 CDCR — I mean, I think that they have some ideas, or
10 thoughts on it.

11 CHAIR MACOMBER: We think this is a little bit
12 of a win-win, because the Governor has also, you know,
13 now seeing attention that we're to spread the condemned
14 population throughout California. And, that housing
15 will be returned to a lot of the general population, and
16 we look forward to the potential to look at options to
17 use that space for more rehabilitative opportunities,
18 and CTE type programs for the population.

19 Obviously, any time you do anything at San
20 Quentin because its proximity to the bay and everything
21 else, we have to have our ducks in a row. But we look
22 forward to the potential to use that space. For those
23 that don't know, San Quentin's like our super
24 programming facility. We have, like, 3,000 volunteers
25 that come into San Quentin, you know, every month. So,

1 it's something we're looking forward to as well.

2 BOARD MEMBER VAUGHN: Yeah, I was sure at what
3 the Governor's doing, intention of close three prison,
4 you're going to need that space.

5 CHAIR MACOMBER: Yes.

6 BOARD MEMBER VAUGHN: So, it is —

7 CHAIR MACOMBER: It's a large space.

8 BOARD MEMBER VAUGHN: Yeah, exactly.

9 BOARD MEMBER AGHAKHANIAN: Chair Macomber?

10 (Off Mic)

11 BOARD MEMBER AGHAKHANIAN: I'd like to make a
12 motion. I'd — make a motion to close — closure of the
13 furniture enterprise at San Quentin, to begin July 1st,
14 2022, for the SQ furniture to be completed by June 30th,
15 2023, as presented.

16 BOARD MEMBER VAUGHN: Second.

17 CHAIR MACOMBER: Okay. Skipping back, are
18 there any members of the public that wanted to make any
19 comment today?

20 Okay, we have a motion on the floor, and a
21 second. Board Secretary, please call the roll.

22 SECRETARY MARION: Alright. Member
23 Aghakhanian?

24 BOARD MEMBER AGHAKHANIAN: Aye.

25 SECRETARY MARION: Member Davison?

1 BOARD MEMBER DAVISON: Aye.

2 SECRETARY MARION: Member Lopez?

3 MS. LOPEZ: Aye.

4 SECRETARY MARION: Member Martin?

5 BOARD MEMBER MARTIN: Yes.

6 SECRETARY MARION: Member Osborn?

7 MR. OSBORN: Aye.

8 SECRETARY MARION: Member Quant?

9 BOARD MEMBER QUANT: Aye.

10 SECRETARY MARION: Member Vaughn?

11 MR. VAUGHN: Aye.

12 SECRETARY MARION: Member Singh?

13 VICE CHAIR SINGH: Yes.

14 SECRETARY MARION: And, Chair Macomber?

15 CHAIR MACOMBER: Aye.

16 SECRETARY MARION: Alright, motion passes 9-0.

17 CHAIR MACOMBER: Thank you.

18 Alright, moving on to Action Item B. Mr.

19 Davidson?

20 GENERAL MANAGER DAVIDSON: Ms. Collins will

21 present Item B.

22 ASSISTANT GENERAL MANAGER COLLINS: Thank you.

23 The second Action Item I am presenting is regarding

24 California Men's Colony Laundry. If you would please

25 turn to Action Item B in your binder.

1 The laundry enterprise provides laundry
2 services to produce clean, odor free, and properly
3 finished product in accordance with Title 22 standards.
4 12 of the 13 laundry facilities operate with similar
5 operational footprints. CMC laundry was constructed in
6 1958 and is the only two-story facility. CMC is the
7 only location that cannot meet the Title 22 standards
8 without significant investment of equipment and
9 infrastructure improvements.

10 Building modifications to install a barrier
11 wall with appropriate airflow, positive and negative,
12 would cost approximately \$1 million. New equipment
13 upgrades over the next five years would exceed \$3.5
14 million.

15 Additionally, there are more structural
16 improvements necessary, which would likely cost several
17 million dollars. And, just to provide a little texture
18 to that, there are a lot of structural, foundation
19 issues that would have to be modified and improved for
20 us to continue and meet Title — or, to move forward to
21 meet Title 22 standards.

22 To meet current customer needs, CALPIA has
23 redirected some of our customers' laundry services.
24 These redirections have provided operational
25 efficiencies and we have been able to continue to, and

1 will continue to meet, all customer orders and customer
2 needs between the other 12 laundry locations. CALPIA
3 has determined that rather than seek to make the capital
4 investments and improvements at CMC, it is more
5 efficient and cost-effective to close this laundry
6 facility and redirect remaining workload to the laundry
7 facility at California State Prison Corcoran.

8 There would be an impact on staff at CMC. The
9 total staff would decrease by six civil service
10 positions, and 52 incarcerated individual assignments.
11 CMC has multiple enterprises, including the knitting
12 mill, fabric products, the print plant, the shoe
13 factory, and health care facilities maintenance.

14 There are currently five civil service staff
15 remaining in those positions. And this factory closure
16 will take approximately one year to complete. During
17 this time, we will work with HR and the interactive
18 process to ensure all impacted staff are offered all
19 available opportunities within CALPIA. Our goal is to
20 have all impacted staff maintain continuous employment.
21 As we have done with any other factory or institution
22 closure. Historically, we have maintained all staff who
23 had wanted to take advantage of those opportunities.

24 Since it will take approximately one year to
25 complete the laundry closure, there is sufficient time

1 to move incarcerated individuals to our other CALPIA
2 enterprises. Incarcerated individual positions will be
3 held vacant, to ensure all incarcerated individuals have
4 the opportunity to transition to other CALPIA programs.
5 And, based on the operational gains achieved, and
6 mitigation to staffing impacts, we request your approval
7 for CMC laundry closure to begin July 1st, 2022, and be
8 completed by June 30th, 2023. Thank you for your time.

9 BOARD MEMBER AGHAKHANIAN: Chair Macomber, I,
10 I move that CALPIA —

11 BOARD MEMBER VAUGHN: Oh, let me —

12 BOARD MEMBER MARTIN: We get discussion
13 points—

14 BOARD MEMBER VAUGHN: —make some comments.

15 BOARD MEMBER AGHAKHANIAN: Just going to make
16 a motion and second and make comments.

17 BOARD MEMBER MARTIN: Just real quick.

18 ASSISTANT GENERAL MANAGER COLLINS: Sure.

19 BOARD MEMBER MARTIN: So, what facilities did
20 the laundry go to. Is it in-house, or outsourced?

21 ASSISTANT GENERAL MANAGER COLLINS: No, in
22 house. So, one customer has already been transitioned,
23 and the laundry is being done at Corcoran. And, in
24 addition to that, CMC will be redirected to one of our
25 other laundry facilities as well.

1 BOARD MEMBER MARTIN: I appreciate that.

2 Thank you.

3 ASSISTANT GENERAL MANAGER COLLINS: Sure.

4 GENERAL MANAGER DAVIDSON: So, in the past,
5 the ASP was done there too, right?

6 ASSISTANT GENERAL MANAGER COLLINS: Correct.

7 GENERAL MANAGER DAVIDSON: Previously, the
8 Atascadero State Hospital was being done there at CMC,
9 but that's one that's already been moved over to(
10 INDISCERNIBLE).

11 BOARD MEMBER DAVISON: What other enterprises
12 did you say there were at CMC that these incarcerated
13 folks can transfer to?

14 ASSISTANT GENERAL MANAGER COLLINS: Okay, we
15 have the knitting mill, fabric products, the shoe
16 factory, the print plant, and healthcare facilities
17 maintenance.

18 BOARD MEMBER DAVISON: So, the 25 folks that
19 are impacted through the laundry, they can easily go
20 into any of those? There's not, like, you know, what am
21 I trying to say — like a course that they are in the
22 middle of? This is, basically, work, right?

23 ASSISTANT GENERAL MANAGER COLLINS: They do
24 have the laundry certifications. I don't know how many
25 people are currently participating in that or have not

1 completed it. But that said, all of them meet, at this
2 point, the CALPIA criteria for our program, and will
3 easily be able to transition to any of those enterprises
4 as vacancies become available. And we will do it in a
5 gradual approach, right? We're not going to let all 25
6 go at the same time, but we have a year to transition
7 them over.

8 CHAIR MACOMBER: How long does it take to do
9 the laundry certification? I'm just piggy backing on
10 Dawn's point, that we never like to transfer someone —

11 BOARD MEMBER DAVISON: Exactly.

12 CHAIR MACOMBER: — half way through. And so,
13 it would be.

14 ASSISTANT GENERAL MANAGER COLLINS: Is it a
15 year?

16 MS. KAMAKANI: So, (INDISCERNIBLE), during
17 previous closures, what we've done is for the
18 certification impact—

19 UNIDENTIFIED SPEAKER: Can you speak up a
20 little bit, please?

21 MS. KAMAKANI: Yeah, sorry. Incarcerated
22 individuals that are typically in the middle of a
23 certification, with other closures we've done, like with
24 dairy milk processing, we've allowed them to complete
25 those certifications before they are moved, because we

1 don't like to interrupt them in the middle of curriculum
2 and have wasted their time.

3 BOARD MEMBER VAUGHN: I mean, and again, with
4 this, would a new program take it's place or would the
5 state take over the space?

6 GENERAL MANAGER DAVIDSON: Because of this
7 infrastructure need there, and the capital investment
8 that would be required, we don't anticipate utilizing
9 that space for any PIA needs, it would be back to CDCR
10 to —

11 BOARD MEMBER VAUGHN: Okay.

12 GENERAL MANAGER DAVIDSON: — utilize. And
13 this closure may take us closer to the 12 months to
14 finalize —

15 BOARD MEMBER MARTIN: Or longer.

16 GENERAL MANAGER DAVIDSON: — than the San
17 Quentin. Yeah.

18 BOARD MEMBER DAVISON: And that would be
19 because the incarcerated folks would be allowed to
20 complete their certifications? Or, because of the
21 equipment?

22 GENERAL MANAGER DAVIDSON: Both.

23 BOARD MEMBER DAVISON: Both. Okay.

24 GENERAL MANAGER DAVIDSON: Yeah, I mean, we
25 would be truly, truly starting this effort July 1st.

1 Rather than having those.

2 BOARD MEMBER DAVISON: Rather than seeing how
3 far it goes from there.

4 GENERAL MANAGER DAVIDSON: Yeah. And, to
5 allow that transition. I mean, we truly don't want to
6 lay anybody off, or see incarcerated folks lose their
7 work assignments. So, we want to be able to fully
8 transition those aspects as well as the equipment piece.

9 BOARD MEMBER MARTIN: So, as with his previous
10 question, is there any equipment that could be used,
11 that could be transferred to any other facilities? Or,
12 is the equipment just so old that —

13 GENERAL MANAGER DAVIDSON: Yup.

14 BOARD MEMBER MARTIN: — really, it needs to be
15 —

16 GENERAL MANAGER DAVIDSON: There is likely —
17 because we'll have 12 — we have 13 laundry enterprises
18 now, so we'll still have 12 others. There will likely
19 be some equipment that can be moved around, and that
20 will be the first focus and effort, will be to reutilize
21 it in other enterprises, and then what we can't, that's
22 what would be sold off.

23 BOARD MEMBER MARTIN: Thank you.

24 CHAIR MACOMBER: Any further questions or

1 discussion?

2 BOARD MEMBER AGHAKHANIAN: Thank you, Mr.
3 Chairman. I'd like to move that the CALPIA board
4 approve the closure of the laundry enterprise at CMC, to
5 begin July 1st, 2022, and to be completed by June 30th,
6 2023 as presented.

7 BOARD MEMBER VAUGHN: I second.

8 CHAIR MACOMBER: Alright, thank you. Board
9 Secretary, please call the roll.

10 SECRETARY MARION: Alright. Member
11 Aghakhanian?

12 MR. PORTER: Mr. Macomber?

13 CHAIR MACOMBER: Hold on.

14 MR. PORTER: Before we move forward, can we
15 see if there's any public comment?

16 CHAIR MACOMBER: Thank you. Any members of
17 the public would like to make a comment?

18 Thank you for chiming in there.

19 SECRETARY MARION: Alright. Member
20 Aghakhanian?

21 BOARD MEMBER AGHAKHANIAN: Aye.

22 SECRETARY MARION: Member Davison?

23 BOARD MEMBER DAVISON: Aye.

24 SECRETARY MARION: Member Lopez?

25 MS. LOPEZ: Yes.

1 SECRETARY MARION: Member Martin?

2 BOARD MEMBER MARTIN: Yes.

3 SECRETARY MARION: Member Osborn?

4 MR. OSBORN: Yes

5 SECRETARY MARION: Member Quant?

6 BOARD MEMBER QUANT: Aye.

7 SECRETARY MARION: Member Vaughn?

8 MR. VAUGHN: Aye.

9 SECRETARY MARION: Member Singh, or Vice Chair

10 Singh?

11 VICE CHAIR SINGH: Yes.

12 SECRETARY MARION: Yes. And, Chair Macomber?

13 CHAIR MACOMBER: Aye.

14 SECRETARY MARION: Alright, motion passes 9-0.

15 CHAIR MACOMBER: Thank you.

16 I will move on to Action Item C. Mr.

17 Davidson, please?

18 GENERAL MANAGER DAVIDSON: Thank you. So,

19 Action Item C is a presentation of our fiscal year '22-

20 '23 Annual Plan. And I'll just start out with just some

21 high-level numbers on that. So, the proposed Annual

22 Plan for fiscal year '22-'23 includes total projected

23 revenue of \$250 million. Total projected cost of goods

24 sold, \$194.7 million. Gross profit of \$55.2 million.

25 Selling and administrative costs of \$28.3 million. Our

1 offender development or incarcerated worker development
2 programs, \$5.3 million. Distribution and transportation
3 costs, \$16.1 million. Retirement and vacation payouts
4 projected at \$1.6. Which leaves us an operating income,
5 or a net profit of \$3.9 million.

6 Now, before getting into some of the details
7 on these areas, I do want to mention that we are
8 reviewing a few of our enterprises to make them more
9 efficient. The proposed closures of San Quentin
10 furniture, and CMC laundry facility have come as a
11 result of these ongoing reviews. And, as we look at
12 these enterprises, we considered three primary factors.

13 First, what kind of real-life job training
14 skills does it provide? Number two, is it a safe
15 enterprise for both our civil service and incarcerated
16 workforce? And number three, is it a profitable
17 enterprise?

18 And so, I'm just going to kind of state the
19 obvious here, right? The crops enterprise is one that
20 we are closely scrutinizing right now. And MR. MARTIN
21 and I had a conversation on this the other day. But I
22 can assure you, we've been looking at it prior to that
23 conversation. I don't believe that the crops enterprise
24 is an unsafe enterprise to operate, so I think it does
25 meet those criteria.

1 However, the profitability and incarcerated
2 worker real-life job training opportunities are what
3 we're focused on. The price of almonds is what drives
4 crops' profitability, and those prices, quite frankly,
5 have tanked over the past couple of years. And it was a
6 drop, and they've remained at a much lower level. And
7 at this point, I don't see indications that those prices
8 are starting to rebound.

9 We do have some newer trees that were planted
10 a few years ago. They're not going to produce in this
11 coming fiscal year, but they will begin to produce the
12 following fiscal year. So, they will produce about
13 3,000— 300,000 pounds of almonds a year. Our current
14 yield is about 400,000 pounds, so it will nearly double
15 our almond production when those trees start to fully
16 produce.

17 However, even with that increased production,
18 almond prices would still need to come up for us to
19 reach a break-even and then a profitability perspective.
20 So, I simply bring this up to let you know that we are
21 aware of the projected loss for this enterprise, and we
22 are closely evaluating what is our best approach as we
23 go forward with crops. We obviously don't have a
24 proposal right now to close crops, but we are closely
25 monitoring to see how to best make use of that space,

1 that opportunity that we have.

2 So, on the revenue piece, just talk a little
3 bit about revenue. We project \$250 million in revenue
4 for the coming fiscal year. This is slightly higher
5 than what we had planned and accrued for the current
6 fiscal year. Our revenue forecast is based on a
7 projected average incarcerated population of 100,000 for
8 the year.

9 And we do project several enterprises to see
10 increased revenue this year over — in the coming fiscal
11 year over the current year. Specifically, we project
12 about a \$3.3 million increase in the fabric enterprise,
13 \$2 million increase in metal, a \$1.8 million increase in
14 meat cutting, \$1.7 million increase in poultry, \$1
15 million increase in license plates, and a \$700,000
16 increase in the shoe enterprise.

17 Conversely, we do expect a few enterprises to
18 go down some in revenue in the coming year.
19 Specifically, food and beverage packaging, we see a
20 decrease of about \$3.7 million. About a \$1.7 million
21 decrease in cleaning products, a \$1.2 million decrease
22 in optical, a \$1.1 million decrease in health care
23 facilities maintenance, or HFM, and about \$1 million
24 decrease in furniture.

25 And I want to take a minute here too, and

1 mention that we are closely monitoring the movement of
2 Senate Bill 1089 through the legislative process. And I
3 know Michelle will give a little more detail on that in
4 the legislative subcommittee update. But, if this bill
5 were to pass and to be signed by the Governor, it would
6 have a negative impact on the optical enterprise. In
7 developing the budget, we had to make a decision, do we
8 develop the budget on the — with the perspective that
9 the bill passes, or that it doesn't pass? I made the
10 choice; I'm going to build a budget assuming it's not
11 going to pass.

12 BOARD MEMBER AGHAKHANIAN: Bill, I have a
13 question.

14 GENERAL MANAGER DAVIDSON: Yeah.

15 BOARD MEMBER AGHAKHANIAN: So, I'm going back
16 to the almond thing. Is that — why is it — what is it
17 — why is it decrease in food and beverage packaging?
18 It's not almonds only.

19 GENERAL MANAGER DAVIDSON: Food and beverage
20 packing —

21 BOARD MEMBER AGHAKHANIAN: Why are we having
22 such a big decrease?

23 GENERAL MANAGER DAVIDSON: In the revenue for
24 food and beverage?

25 BOARD MEMBER AGHAKHANIAN: Yes.

1 GENERAL MANAGER DAVIDSON: It has a lot to do
2 with the population, the decreased population is the
3 biggest factor in that. So, fewer meals are being
4 packaged and provided to the incarcerated folks.

5 BOARD MEMBER AGHAKHANIAN: And, alright. So,
6 I'm just curious. With all these closures and
7 decreases, we're putting this in the budget, right? At
8 the same time, you know, just based on the areas that
9 are decreasing, you know, what are the plans for future
10 to look at areas that could increase?

11 Even with license plates, I can understand
12 being a shortage of cars, people not buying new cars, so
13 you're having the same license plates on used cars
14 continually. But is there one that's a part of it, you
15 know? But at the same time, you know, I'm just curious
16 about, you know, certain areas that are changing. What,
17 are we looking at some creative ways?

18 You talked about almonds. Well, almond milk
19 is still a hot product. Have we looked at investing in,
20 well, you know, creating almond milk?

21 GENERAL MANAGER DAVIDSON: So, so to address
22 that issue right there. So, the use of almonds, almond
23 milk, almond butter are potentially some things that we
24 could look at, and some things that we have talked about
25 and discussed. That is part of this ongoing review and

1 assessment of the crops enterprise.

2 But, as far as revenue in some enterprises
3 going up, I mean to be perfectly candid, this happens
4 every year. I mean every year, with 27 different
5 enterprises, we have some each year that the revenue's
6 going to go up and others that are going to go down, and
7 there are multiple factors that drive each —

8 BOARD MEMBER AGHAKHANIAN: So, this is not
9 dramatic drop?

10 GENERAL MANAGER DAVIDSON: From my
11 perspective, this is — this issue is the same as we look
12 at every year. Yeah.

13 CHAIR MACOMBER: Well, the reality, Bill,
14 right, is we're down to about 97,000 inmates, whereas
15 two years ago we were about 125,000. So, I think the
16 long-term projection shows that number will continue to
17 a slow decline in the out years. So.

18 GENERAL MANAGER DAVIDSON: Yup, yeah. And as
19 we've seen—

20 BOARD MEMBER AGHAKHANIAN: And yeah, Felipe
21 loves almond milk. You know that, right?

22 (Laughter)

23 GENERAL MANAGER DAVIDSON: I did not know
24 that, you learn something new every day, right?

25 BOARD MEMBER AGHAKHANIAN: Okay, a young

1 (INDISCERNIBLE). Almond milk all day.

2 GENERAL MANAGER DAVIDSON: Yeah. But going
3 back to the optical enterprise. Again. The decision
4 was made to develop the budget with the assumption that
5 SB 1089 is not going to pass. What I would propose
6 here, and what I would propose be part of the motion to
7 approve the annual plan, is that if SB 1089 does pass
8 and is signed by the Governor, and we'll know that by
9 the October 6th board meeting, that we come back at the
10 October 6th board meeting with a revised plan or budget
11 that we submit for approval on specifically on the
12 optical enterprise, if it —

13 BOARD MEMBER AGHAKHANIAN: We can modify—

14 GENERAL MANAGER DAVIDSON: If it does die in
15 appropriation.

16 BOARD MEMBER AGHAKHANIAN: We can modify the
17 motion, with the exception of — if SB 1098

18 (INDISCERNIBLE).

19 GENERAL MANAGER DAVIDSON: And that's what I'm
20 suggesting, that that be the, when the motion is made
21 that that be included as part of the motion that we.
22 Again, if SB 1089 is passed, signed by the Governor,
23 that we at the next board meeting, we provide a revised
24 plan for optical.

25 BOARD MEMBER MARTIN: So, glass half empty,

1 1089 does pass, that's \$20 million of the budget.

2 Roughly, what, eight percent of our revenue. Are there
3 any contingency plans for what happens, what you do when
4 that does happen?

5 GENERAL MANAGER DAVIDSON: So, I'm far from
6 convinced that we would lose \$20 million in optical
7 revenue. I think that we're good. And that's part of
8 what, I mean, there's discussion with DHCS, Department
9 of Health Care Services, on how, if that bill is passed,
10 how it will be implemented, and there are potentials
11 there that could really mitigate some of the impact to
12 us. So, certain things that would still need to be
13 worked out. But yes, we are looking at if we have a
14 significant hit to the optical enterprise, how do we
15 mitigate that. Yes.

16 But again, I'm a glass half full kind of guy.
17 I'm—

18 BOARD MEMBER MARTIN: I like that. I'm a
19 glass half full guy.

20 GENERAL MANAGER DAVIDSON: Yeah. I'm — I
21 think that there is a real potential that, and again,
22 Michelle will talk more about the path of this bill.
23 But it's being heard today, perhaps right now in the
24 Assembly Public Health Committee. If it passes out of
25 the Assembly Public Health Committee—

1 BOARD MEMBER MARTIN: Safety, safety.

2 UNIDENTIFIED SPEAKER: Safety.

3 CHAIR MACOMBER: Public Safety.

4 GENERAL MANAGER DAVIDSON: What did I say? It
5 already went through Health, Public Safety today, thank
6 you.

7 If it passes out of there, and I won't be
8 surprised if it does, then the next stop would be the
9 Assembly Appropriations Committee, and I think that
10 there's a — it could face some real challenges in
11 Appropriations. But, again, we'll closely monitor that
12 path.

13 But again, with the uncertainty of knowing the
14 future of this bill and specifically what the impact
15 would be, again, we have to develop a budget one way or
16 the other. This was the way we chose. But I
17 acknowledge that if it passes, there will be an impact,
18 and I would certainly propose that we — if it does, we
19 readdress it at our next board meeting. And then I'll
20 talk a little bit more too at our next item, on the
21 designation of cash and the capital request associated
22 with that be very similar proposal there.

23 BOARD MEMBER VAUGHN: But that would be
24 included in mitigating the proposed increases that we
25 have in the fiscal budget, right? Like, because, if it

1 does pass, then it changes the bottom line. Right? And
2 right now, we're going to be moving to vote on a budget
3 that has increases built into it. And does the
4 contingency plan then reflect those changes?

5 GENERAL MANAGER DAVIDSON: So, the contingency
6 plan would reflect the change to the optical enterprise
7 as well as what other mitigating changes may or may not
8 going to make it (INDISCERNIBLE)

9 BOARD MEMBER VAUGHN: Things that we approve
10 of today, right, that happens, that has an impact,
11 right? Because we would have to mitigate right now,
12 like if right now we're going to be moving to offer
13 those increases and the things that you put in this
14 budget based on it not passing. If it does pass, then
15 we need to come back and also include, you know, rectify
16 those things that we will be approving today.

17 GENERAL MANAGER DAVIDSON: That's correct.

18 BOARD MEMBER AGHAKHANIAN: Mr. Chair, if I
19 could make a motion that we (INDISCERNIBLE).

20 CHAIR MACOMBER: Are you finished, Bill? Or
21 not yet?

22 GENERAL MANAGER DAVIDSON: I almost want to
23 say far from it, but I do have a little bit more to
24 share.

25 CHAIR MACOMBER: Yes.

1 BOARD MEMBER AGHAKHANIAN: Oh, okay. Sorry.

2 GENERAL MANAGER DAVIDSON: In regard to that.

3 To the total budget. So, moving on. So, that's the
4 revenue piece. So, the cost of goods sold, again, we're
5 budgeting a total of 194.7 in cost of goods sold. Two
6 primary factors that are affecting that.

7 First, there's an across-the-board general
8 salary increase that goes into effect July 1st. For
9 most employees, they'll see between a two to a two and a
10 half percent increase in the pay. So obviously, that
11 affects our costs.

12 And then second, we're also planning for
13 continued increases in materials and supply costs.
14 We've seen that inflation, I think we all hope that that
15 stops and changes in the near future, but if we see no
16 indication of that, so we need to continue to budget for
17 that.

18 The closure of San Quentin furniture and CMC
19 laundry will help mitigate some of the increasing cost
20 of goods sold, but overall, the proposed expenditures
21 for cost of goods sold represent about 78 percent of
22 projected revenues.

23 The selling and administration costs, we're
24 budgeting for a total of about \$28.3 million in selling
25 and admin, and this includes our, basically our central

1 office costs such as administration, fiscal services,
2 MIS or Information Technology, sales and marketing,
3 legal affairs, external affairs, and executive
4 management. And we continue to focus on ensuring that
5 our selling and admin costs are reasonable in terms of
6 the size and scale of our operations.

7 And what we're proposing here in this budget
8 would constitute about 11.3 percent of our revenues
9 earned, going to cover our selling and admin costs. And
10 again, something that I know many continue to look at
11 and be focused on, and rightly so. Myself included.
12 So, we'll continue to monitor that and ensure that our
13 selling and admin costs are the right amount. And
14 that's something that we as a financial and audit
15 subcommittee have talked about, and we will continue to
16 delve into and look closely at that.

17 Also proposing a budget of slightly more than
18 \$16 million to cover distribution and transportation
19 costs, the biggest piece of this obviously being driven
20 by the record high fuel costs. And so, the \$16 million
21 would represent about six and a half percent of our
22 projected revenue.

23 So, the net result of our budget development
24 is an overall net profit of a little more than \$3.9
25 million, or about 1.6 percent net profit. We do believe

1 that this is a prudent profit amount for this coming
2 fiscal year, as you'll see in the upcoming presentation
3 on the designation of cash, the proposed budget combined
4 with our proposed capital expenditures will leave us
5 with net cash on hand at the end of the next fiscal year
6 of just about \$44 million.

7 And that's right in the area where we want to
8 be. It's not too much cash that calls into question the
9 prices that we're charging for our goods and our
10 services, and it doesn't make it a target to sweep some
11 of the excess balance to the general fund. But it's not
12 too low that our cash liquidity is compromised.

13 And then finally —

14 BOARD MEMBER AGHAKHANIAN: Bill, I have a
15 question. Do we have a legally obligated to have a
16 certain cap for reserves by the state, or not?

17 GENERAL MANAGER DAVIDSON: It's interesting,
18 the code—

19 BOARD MEMBER AGHAKHANIAN: For rainy days.

20 GENERAL MANAGER DAVIDSON: The code requires
21 that we have, it's like \$750,000 as our minimum balance
22 that we're required. Which is, that had to have been
23 written years and years ago because that's ridiculous.

24 BOARD MEMBER AGHAKHANIAN: There is no
25 percentage cap, like.

1 GENERAL MANAGER DAVIDSON: There's not by
2 statute. But for me, the 40 to 50 million range, to me,
3 is the sweet spot. Forty million is about almost two
4 months of operating expenses. You get over 50 million,
5 and that's when it starts to catch the eye of the
6 Department of Finances of the world that
7 (INDISCERNIBLE).

8 BOARD MEMBER AGHAKHANIAN: And at 60 million,
9 we're all going to Hawaii, right?

10 (Laughter)

11 GENERAL MANAGER DAVIDSON: Let me publicly
12 state, no.

13 (Laughter)

14 (Crosstalk)

15 CHAIR MACOMBER: Yeah, no.

16 BOARD MEMBER VAUGHN: Absolutely not.

17 UNIDENTIFIED SPEAKER: Yes, no.

18 (Laughter)

19 GENERAL MANAGER DAVIDSON: Just, finally, on
20 our incarcerated individual workers. So, we're
21 budgeting a total of about 65, just over 6,500
22 incarcerated individual work assignments for the coming
23 year. For most enterprises, there won't be a change in
24 the number of incarcerated workers. But a couple of
25 enterprises will see a reduction. HFM, Healthcare

1 Facilities Maintenance will see a pretty significant
2 decrease. And this is primarily due to some changes
3 that have been brought on by CCHCS that will change the
4 timing on when they do cleaning, our HFM folks do
5 cleaning in the minimum-security yards.

6 And so, with that, we're seeing a reduction in
7 our contract on that. And so, there will be a
8 corresponding reduction in the number of workers. And
9 again, 239 spread across, and we have HFM in each
10 institution across the state. So that's a few, on
11 average a few workers per institution. There are also —
12 furniture and laundry will obviously see reductions as
13 well as a result of the actions just taken.

14 And then, you know, Dawn asked the question,
15 or Ms. Davison asked the question earlier, on, you know,
16 just how we're doing keeping the, our incarcerated work
17 assignments filled. And I would say generally, we're
18 doing pretty well with that. But it has still been
19 somewhat of a challenge. We have — we're nowhere near
20 wholly filled on our work assignments.

21 But progress continues to be made. And the
22 things that Mr. Macomber shared as far as, you know,
23 quarantining just by the individual housing unit instead
24 of institution, those things have been tremendous help,
25 and I know will continue as we go through this coming

1 fiscal year. So, I suspect that we will see that the
2 percentage of filled assignments continues to increase.

3 So, with that, that's the presentation on the
4 annual plan. Any questions?

5 BOARD MEMBER AGHAKHANIAN: So, Bill, this is,
6 you know, just out of curiosity. So, and I'm just
7 comparing, like, what we're doing now just, we do have a
8 required cap. But I'm also seeing what, you know, lot
9 of institutions, even with us, would take some of these
10 surplus and invest it in a, like a portfolio. Where
11 then the interest earned from that could go toward, for
12 example, startups.

13 Like, if we have entrepreneurs who are
14 certified who are formerly incarcerated who come out and
15 need some angel investment money to start a business.
16 I'm just curious, in terms of rules and regulations. Is
17 there anything that stops us from looking at some of
18 these options, or not?

19 GENERAL MANAGER DAVIDSON: Yeah, we're not
20 allowed to do any of that.

21 BOARD MEMBER AGHAKHANIAN: Okay, alright.

22 GENERAL MANAGER DAVIDSON: The state does have
23 a surplus money investment fund, and so some of our, it
24 goes in there. But it's minimal, what our returns are
25 on that. But as far as us investing outside of that.

1 BOARD MEMBER AGHAKHANIAN: Even if the return
2 goes back to the (INDISCERNIBLE) individuals.

3 GENERAL MANAGER DAVIDSON: Correct.

4 BOARD MEMBER VAUGHN: But you could. I mean,
5 couldn't we — not invest in any kind of investment
6 vehicles, but we probably could invest in the
7 individuals that are incarcerated to augment salaries?
8 Right? Like, I think, like, because one of the things
9 that I have an issue with. I don't have an issue with
10 it. A challenge with it, in the sense that, you know,
11 our joint venture programs pay at a certain rate to
12 individuals that are working in it. But the government
13 partnerships to not pay, right? Like, and so, if there
14 was an opportunity, if we had enough surplus that we
15 could put a fund aside to augment some of that pay for
16 those that are working within our enterprise. I would
17 feel a lot more comfortable if that was an opportunity.
18 I don't know if we have the ability to do that.

19 GENERAL MANAGER DAVIDSON: So, what we have
20 the ability to do is invest back in PIA. We're going to
21 talk in a minute about the designation cash in the
22 capital investments. Again, you're going to see it, a
23 request for about \$10 million in new capital.

24 BOARD MEMBER VAUGHN: Yeah.

25 GENERAL MANAGER DAVIDSON: Again, if we don't

1 make that investment, then it sits in our fund and,
2 again, I would rather be investing in things like that.
3 We — the amounts that we pay our incarcerated workers,
4 that does come out of our budget. So, if there's an
5 increase in what is paid to the incarcerated workers,
6 yes, we fund that. We, you know, that would be coming
7 from our resources. I think that there is a lot more
8 than just a discussion here that would — if we were to
9 increase the, what is paid to the incarcerated workers,
10 I mean there's a conversation I think that goes far
11 beyond just this discussion here on that. I mean, if
12 we've got CDCR and what CDCR does, and there's a lot of
13 — a lot of pieces outside of just, you know, whether the
14 money is available to do that. But to the core of your
15 question, yes. If salaries were increased for the
16 incarcerated workers, it would come out of our dollars.
17 We would get no additional appropriation or funding for
18 it; we would fund that.

19 BOARD MEMBER VAUGHN: And I'm just suggesting
20 that if it, if we, you know, passed the sweet spot that
21 you defined, right? And we, you know, we start earning
22 at, you know, at a certain rate, right? And we have
23 surplus, then some of that surplus would go back into
24 the population, right? You know, I think it quells
25 arguments against this imbalance from the community

1 side, right? Like, you know, advocates see, you know,
2 individuals working for multi-million-dollar, billion-
3 dollar industries. You know, it could be termed as
4 slave wages. Right?

5 GENERAL MANAGER DAVIDSON: We, we—

6 BOARD MEMBER VAUGHN: And so, when you have an
7 opportunity, and particularly to bring, you know, equity
8 in a space, especially as we're moving in to for any of
9 these, you know, joint-venture partnerships, right?
10 That shows that they can earn a certain amount of money.
11 And then, when we work on the government side, and then
12 it's not balanced out from an equitable standpoint, you
13 know, I think that's the conversation that needs to be
14 had. Right? I think that we need, you know, we need to
15 bring balance in that space, because I think even among
16 the workforce that is conversing among themselves in
17 custody, right? And it creates this opportunity of what
18 type of position you want to vie for.

19 BOARD MEMBER MARTIN: So, there's also two
20 sides of that equation, right? I mean, we're providing
21 housing, we're providing food, we're providing
22 everything else. And the opportunity that we're
23 providing, again, you look at the final profit margins,
24 which is one — less — almost a little over one percent,
25 right? Which isn't that big. So, we're not a profit

1 center. We're a service center. And that's what we've
2 got to look at. We're servicing the 7,000 individuals
3 that actually work for us in creating opportunities for
4 them so that when they get out, only 15 percent—

5 BOARD MEMBER VAUGHN: But we don't have that.
6 Right? We don't know, we ju— we don't—

7 BOARD MEMBER MARTIN: We do know 15 percent
8 get (INDISCERNIBLE).

9 BOARD MEMBER VAUGHN: Yeah, we don't know what
10 they're getting out and having — we don't know if
11 they're getting out and really maintaining their
12 employment yet. That's what Bill just spoke to, yeah.
13 Like, in terms of the industries that we provide
14 training for. Otherwise, we wouldn't be trying to
15 invest in a data system. Because we don't have the data
16 to support that. We have, you know, we don't have the
17 empirical data to support the fact that the training
18 that we're providing the individuals is being maximized.

19 BOARD MEMBER MARTIN: Well, we know that our
20 recidivism rate is a lot lower than anywhere else. So,
21 obviously, the program is working. And it's 15.4, so
22 something is being done properly.

23 BOARD MEMBER VAUGHN: But we need to know what
24 that is.

25 BOARD MEMBER MARTIN: Well, and that's —

1 BOARD MEMBER VAUGHN: To speak to it in an
2 intelligent way, we need to be able to quantify it and
3 know exactly what it is, right? You know, I spent 30
4 years of my life to this work, and I like empirical
5 data, right? I like the data that shows, that feels
6 good. We can say that, but I think at the end of the
7 day, if we really want to have support for the work that
8 we're doing, which I do, we need to begin to do some
9 other things that's changing that dynamic.

10 GENERAL MANAGER DAVIDSON: And if I could just
11 say, again, kind of bring this back to the budget piece.
12 I think, you know, that discussion that, you know,
13 that's just part of a much larger, broad, overall disc—
14 and I know that those conversations and efforts are
15 taking place at various levels and to various degrees.

16 But, for us, again. The ability and capacity
17 to reinvest back in PIA and in what we do is there.
18 It's not through, you know, investing in outside
19 (INDISCERNIBLE). But it's investing back in, in our
20 operations and in what we do. And so that's why, again,
21 you know, some may think a \$10 million investment in
22 capital is going to be a large request. But in reality,
23 I think it, again, keeps us and maintains
24 (INDISCERNIBLE).

25 BOARD MEMBER AGHAKHANIAN: And Mr. Vaughn,

1 there is legislation out there proposing this. But I
2 think the bigger picture and the wholistic approach to
3 this, and I hear what you're saying, because I get this.
4 People from my community also ask me.

5 I think the bigger picture is once we get this
6 data, going back to the governor and saying look, maybe
7 you should invest from the state. Because they talk
8 about this, but they really don't know today, because
9 the first thing that comes to their mind is
10 exploitation, they look at other states. Comparatively,
11 we pay way more.

12 But the reality of it is that all we need is
13 one bad year and we don't have a cap. That's why I was
14 asking about a safety cap. And we don't. And a lot of
15 these programs will fall apart.

16 And unfortunately, the state does not have a
17 great program. I will give you a great example. Career
18 tech education. A couple of years ago, was the hottest
19 thing. The state threw all this money and said, yeah,
20 go and teach everyone about certification. It didn't
21 work. They changed the name, but the problem was that
22 the system itself was failing, because the people that
23 were doing this were not really experts.

24 I think what we're doing, in terms of the
25 operating sites, is wonderful. We have the experts. I

1 think the bigger conversation should be, once we get
2 this data, is to go back and say hey, everyone, the
3 legislators have been criticizing this process. Why
4 don't you invest some of that surplus from the budget,
5 and pay these, you know, currently incarcerated
6 individuals' higher wages.

7 BOARD MEMBER VAUGHN: You know, I'm for that.

8 BOARD MEMBER MARTIN: So, there are a lot of
9 programs, CTE for instance, that are zero revenue
10 producing, right? The dive program, zero revenue
11 producing. The programming program, zero revenue
12 producing. And all these programs have a permanent
13 impact on the individuals that go through them. We have
14 a zero-recidivism rate through the dive program. Zero.

15 So, these are non — I mean, this is how we
16 reinvest those dollars into the people that we service,
17 which is to ensure that they have a life outside of the
18 institution. So, there's a lot of dollars that are
19 spent. Yes, we could pay them 15 dollars an hour, 20
20 dollars an hour, whatever the case might be. But then
21 we wouldn't have anything to give and to be able to
22 invest into some of these programs that we're able to do
23 now.

24 BOARD MEMBER AGHAKHANIAN: Which, but the way,
25 goes to another point of the presentation. We'll talk

1 more about it. But, I think, you know, Mr. Martin and
2 I, we were at the capital. You'd be surprised. Most of
3 the legislators don't know.

4 BOARD MEMBER MARTIN: Who PIA is.

5 BOARD MEMBER AGHAKHANIAN: And what we do.
6 Their impression is, we're like Texas. This is not what
7 we are doing. I'm not picking on Texas, but that tends
8 to be the word that everyone throws around when it comes
9 to, you know, prisons.

10 And I think once we get the data and put the
11 word out, I would not be surprised if one of those
12 legislators come forward and says, "Well I do have a
13 bill and the state should pay more for these
14 individuals." But it shouldn't come out of the CALPIA
15 product.

16 Because for us, we need those dollars to be
17 reinvested in the newer industries and new technology.
18 Because some things that are working — almond was the
19 great example. It was the hottest thing. It's like
20 cannabis, right? It's also now overrated; it's
21 flattening the price. People are giving it away now,
22 and it's not the hot thing anymore, and I think we need
23 to be ready —

24 BOARD MEMBER VAUGHN: I mean sure. I mean,
25 there's an intrinsic value, guys. You know. I'm a

1 person with lived experience. So, let me just speak
2 from that standpoint, you know. And I have two
3 doctorate degrees, and three masters.

4 So, here's the reality. Right? The large
5 number of population individuals that are coming out,
6 there's an impact that we do that's positive. That's a
7 given. But there's also a conversation that needs to be
8 had about creating more equity. And we are at the
9 center of that conversation because we control the
10 enterprise. Right?

11 And we have the power to do it, and we need to
12 improve the way we market. If you're telling me that
13 many people in the legislature don't know who we are,
14 that's on us to make sure that we're communicating well.
15 We also need to compare ourselves to other programs that
16 are happening in other countries that have a more
17 equitable approach, which is what (INDISCERNIBLE) are
18 starting to do.

19 So, I get that we need to invest back in
20 ourselves, but the people that are actually doing the
21 work. It's also, it's not just an intrinsic investment.
22 There are other investments that need to happen, because
23 there's a lot of people that leave programs in the
24 prison. And I'm telling you for a fact, that you do not
25 end up on the right side, and they come back into the

1 institutions, and we need to ask ourselves the questions
2 why.

3 BOARD MEMBER LOPEZ: I think that will happen
4 once we do have that data and figure out what's working.
5 And then we go back to legislature and say, hey, we need
6 micro-loans through — for small businesses, up and
7 coming businesses. Those work.

8 BOARD MEMBER AGHAKHANIAN: And I appreciate,
9 and I think this is a conversation we need to continue
10 to have. Because, you know, I think our approach is a
11 little different compared to some of the other
12 institutions. And I think that's why sometimes, you
13 know, individuals want to learn from us, from other
14 countries, like the Australians.

15 But I do agree with you. We need to do a
16 better job. We've talked more about it, to really —
17 'cause once we talk to them, they're like, "Oh, really?
18 I didn't know this." Like, and I think that's a whole
19 different conversation by itself.

20 BOARD MEMBER VAUGHN: And that's a part of our
21 role, helping the staff. Right? I think as a board.

22 BOARD MEMBER AGHAKHANIAN: Well, you need to
23 join our ledge committee, c'mon man. Congratulations —

24 (Applause)

25 BOARD MEMBER VAUGHN: I'm already on a couple

1 of committees.

2 (Laughter)

3 BOARD MEMBER MARTIN: So, one thing we should
4 really do is the joint venture program is a phenomenal
5 program.

6 BOARD MEMBER VAUGHN: Exactly.

7 BOARD MEMBER MARTIN: And not enough industry
8 takes advantage of that program. And maybe it's because
9 they don't know, or the entry level, or I'm not sure
10 what it is, right? But we should market that more and
11 try and get more industry involved in the joint venture
12 program, and it would allow for the payment of
13 individuals, like you're saying. You know, I got our
14 cohort to join a program that is a joint venture
15 program. They recycle computers. And they're
16 reinvesting in the individuals that are working there.
17 It's a joint venture program. So, there's programs out
18 there, but we need to invite them to come and see what
19 we can do.

20 BOARD MEMBER VAUGHN: I 100 percent agree.

21 GENERAL MANAGER DAVIDSON: And another great
22 thing about the joint venture programs, and I completely
23 agree, they are a win-win, is that in many cases they
24 can also be that conduit. They — our workers work for
25 them while they're incarcerated, and they also operate

1 on the outside and they've already got that transition
2 when they get out.

3 BOARD MEMBER VAUGHN: (INDISCERNIBLE)

4 Because, you know, it's a great thing that we
5 give them the certificates. But the work that I do on
6 the outside is helping to translate the skill set.
7 Because, if somebody's working in a laundry building, it
8 works for them here, but when — and they learn
9 discipline. Don't hear what I'm saying as a negative.

10 But just understand the fact of the matter is,
11 is that credential that they're getting inside is not
12 always transferable to the same type of employment. And
13 that's — that can be fine, but there's other things that
14 we need to work on, and we're trying to work on in terms
15 of matching skill sets with the jacket, where people are
16 coming out and they're coming out of the PSRCS, and
17 other things that I've been talking to Bill about trying
18 to do.

19 But there's a reality, is that we've made such
20 an investment in them, in terms of (INDISCERNIBLE) to
21 them to understand the work ethic, you know, showing up
22 on work on time, being a part of a team, all those skill
23 sets that we want to see. And being able to now make
24 sure that that's leading them somewhere is a great
25 thing. But I am a proponent of the joint ventures. You

1 need to know that. And I'm going to be on that because
2 I'm really big on the equity piece. And it all
3 balances.

4 And joint ventures doesn't necessarily equate
5 to profit in our pocket either, right? And so, but it
6 speaks to our ability, right? To understand the value
7 of creating a product, as long as we don't lose money,
8 we can contribute to an individual's life in a different
9 way. So, that's why I really like it.

10 BOARD MEMBER AGHAKHANIAN: And, and Mr.
11 Vaughn, and I love your point, because, you know, as we
12 speak just at my institution, the state is investing a
13 million dollars to help students find jobs. So, why
14 can't we get that kind of money for our, you know, joint
15 ventures and what we're doing?

16 And I think there is money out there, and I
17 think the conversation has to go, and I love the joint
18 venture and things, but the state also needs to invest
19 more in creating those strong partnership as well.
20 Because you're correct, the certification here doesn't
21 necessarily.

22 But also, for a lot of these individuals that
23 come out, the markets have changed, they don't have the
24 networking. What we hear a lot from our students is the
25 lack of mentors, lack of opportunities. One of them

1 said, "My grandmother has great ideas every morning, but
2 I need an angel investor." You know? But, you know,
3 and those things are that I think we need to have a
4 bigger conversation, because in terms of what we're
5 doing, comparatively of what's out there, it's far
6 better than what's out there. Because, what I'm seeing
7 also, is these pop-ups of, you know, organization
8 saying, "Oh, we can help you, and come to us and we will
9 create the connections." And halfway through, once the
10 funding is done, they fall apart. I think we've been
11 consistent, but the joint venture is really when, I
12 think, you need to also ask our state legislators to
13 invest more into it.

14 GENERAL MANAGER DAVIDSON: So, could I just
15 offer — I mean, I think this is a great conversation and
16 discussion. I will just point out; I think this is a
17 great indication of the value that some of our sub-
18 committees can have. I think this is a great effort to
19 undertake in our incarcerated worker employability
20 subcommittee, these types of efforts and plans I think
21 could be great conversations there.

22 And I will just throw out a reminder that if
23 and when somebody makes a motion on this item, to be
24 sure that it's caveated with the optical piece in there.

25 CHAIR MACOMBER: So, any members of the public

1 would like to make any comments regarding this item?

2 Okay. Is there a motion to approve this item?

3 BOARD MEMBER MARTIN: Yeah, there's a motion.

4 I recommend that the budget be approved, and that PIB
5 adopt the proposed annual plan for fiscal year 2022-2023
6 with the exception that the optical expenditures not be
7 implemented until the outcome of SB 1089 is known. And
8 if 1089 is implemented, they not be expensed until
9 further discussion is had on the next budget.

10 BOARD MEMBER AGHAKHANIAN: Second.

11 CHAIR MACOMBER: Okay. Board Secretary,
12 please call the roll.

13 SECRETARY MARION: Alright. Member
14 Aghakhanian?

15 BOARD MEMBER AGHAKHANIAN: Aye.

16 SECRETARY MARION: Member Davison?

17 BOARD MEMBER DAVISON: Aye.

18 SECRETARY MARION: Member Lopez?

19 MS. LOPEZ: Yes.

20 SECRETARY MARION: Member Martin?

21 BOARD MEMBER MARTIN: Yes.

22 SECRETARY MARION: Member Osborn?

23 MR. OSBORN: Aye.

24 SECRETARY MARION: Member Quant?

25 BOARD MEMBER QUANT: Aye.

1 SECRETARY MARION: Member Vaughn?

2 MR. VAUGHN: Aye.

3 SECRETARY MARION: Vice Chair Singh?

4 VICE CHAIR SINGH: Yes.

5 SECRETARY MARION: And Chair Macomber?

6 CHAIR MACOMBER: Aye.

7 SECRETARY MARION: Motion passes 9-0.

8 CHAIR MACOMBER: Thank you. We'll move on to
9 Action Item D. Mr. Davidson?

10 GENERAL MANAGER DAVIDSON: Thank you. And
11 I'll try to roll through this quickly, as I think we've
12 discussed much of this already. But Item D is our 2022-
13 '23 designation of cash. The designation of cash shows
14 the impact of the proposed capital expenditures on
15 CALPIA's projected cash balance. Or projected balance
16 of cash on hand. For the coming fiscal year, we are
17 proposing a total of \$10.4 million in new capital
18 purchases, 9.7 million for the field, and 700,000 for a
19 central office. We're also proposing to roll over \$5.1
20 million in previously approved capital purchases we have
21 not yet been able to complete.

22 And in presenting this request, again,
23 recognizing the uncertainty of Senate Bill 1089, we do
24 have about \$2.3 million of the new capital request is
25 related to the optical lab at CCWF. So as with the last

1 item, I would propose that when a motion is made, that
2 the same contingency be made that we do not move forward
3 with that purchase until we know the outcome of 1089 and
4 if 1089 is passed that, again, we revisit any approval
5 of that. If it fails, we will go forward as planned.
6 So.

7 And again, as I mentioned earlier, the
8 approval of these capital requests would leave us with
9 just about a \$44 million cash on hand balance at the end
10 of the coming fiscal year.

11 BOARD MEMBER MARTIN: Mr. Chair?

12 CHAIR MACOMBER: Well, would anyone from the
13 public like to comment here today?

14 Do we hear a motion?

15 BOARD MEMBER MARTIN: There is a motion. I
16 make a motion that we approve the annual plan
17 designation of cash for fiscal year 2022-2023 with the
18 same exception under Tab C, that the expenditure be held
19 until such time as the outcome of SB 1089 is known. And
20 if 1089— and is SB 1089 is passed, that the expenditure
21 not be (INDISCERNIBLE) —

22 BOARD MEMBER AGHAKHANIAN: Second.

23 BOARD MEMBER MARTIN: — until further
24 discussion.

25 CHAIR MACOMBER: Thank you. Board Secretary,

1 will you call the roll?

2 SECRETARY MARION: Alright. Member

3 Aghakhanian?

4 BOARD MEMBER AGHAKHANIAN: Aye.

5 SECRETARY MARION: Member Davison?

6 BOARD MEMBER DAVISON: Aye.

7 SECRETARY MARION: Member Lopez?

8 MS. LOPEZ: Aye.

9 SECRETARY MARION: Member Martin?

10 BOARD MEMBER MARTIN: Aye.

11 SECRETARY MARION: Member Osborn?

12 MR. OSBORN: Aye.

13 SECRETARY MARION: Member Quant?

14 BOARD MEMBER QUANT: Aye.

15 SECRETARY MARION: Member Vaughn?

16 MR. VAUGHN: Aye.

17 SECRETARY MARION: Vice Chair Singh?

18 VICE CHAIR SINGH: Yes.

19 SECRETARY MARION: And, Chair Macomber?

20 CHAIR MACOMBER: Aye.

21 SECRETARY MARION: Motion passes 9-0.

22 CHAIR MACOMBER: Thank you.

23 UNIDENTIFIED SPEAKER: Who had seconded that

24 last one?

25 SECRETARY MARION: Armond.

1 CHAIR MACOMBER: We will move on to
2 Information Item A. Here to present Information Item A
3 is Rusty Bechtold, Assistant General Manager, Workforce
4 Development Branch, and Michele Kane, Assistant General
5 Manager, External Affairs.

6 ASSISTANT GENERAL MANAGER KANE: Good morning.
7 Good morning, Chair Macomber, Vice Chair Singh, and
8 Board Members. I'm Michelle Kane, Assistant General
9 Manager, External Affairs. I want to bring you up to
10 date. Our legislative sub-committee has been quite
11 active. I want to thank Dr. Armond Aghakhanian, Felipe
12 Martin, as well as Mack Jenkins, and of course, my
13 assistant Amanda Lee, who keeps it all together.

14 We have held four meetings, in addition to
15 visiting the capital. We've held informational meetings
16 with legislative leaders, which has been very important.
17 We were there, sharing our recidivism study. And great
18 news that was.

19 OF course, we're planning to do more in-person
20 visits. Of course, with COVID and all, that — we
21 haven't visited the capitol in over two years. So,
22 COVID really impacted us. And there are a lot of new
23 faces at the capital, and a lot of new people that just
24 don't know what CALPIA is all about. Yes. So, you're
25 going to be hearing it over and over. So, we're trying

1 to get the word out.

2 The top priority bills we are tracking right
3 now, you've heard from Bill. SB 1089, and this would
4 authorize an optometrist to purchase eyeglasses through
5 the medical program through a private entity instead of
6 actually buying through CALPIA. This bill will cost the
7 state millions of dollars in higher incarceration costs.
8 It would eliminate rehabilitative job training programs,
9 or opportunities, for incarcerated individuals. In
10 July, we will have 420 incarcerated individual
11 assignments in our optical program. So, that's a big
12 impact.

13 SB 1089, right now, is being heard in the
14 Assembly Public Safety Committee as we speak. So, we
15 will keep you posted, and I will let you know how that
16 goes. And if it does pass out of there, it will go to
17 Assembly Appropriations. We have been going through all
18 the proper channels. We have been talking with
19 consultants and letting them know and giving them the
20 background information. They've been providing the
21 analysis. Thank you, Felipe, for giving me the analysis
22 there from Public Safety.

23 Another bill we are tracking is SB 1371. This
24 is a Bradford Bill. This bill would adopt a 5-year
25 implementation schedule to increase the compensation for

1 incarcerated persons engaged in work programs under the
2 jurisdiction of CDCR. Now this bill specifies the
3 increase required for an incarcerated person to afford
4 quarterly packages, purchase educational materials, and
5 maintain family connections. This bill did make it out
6 and is now in Assembly Appropriations.

7 This bill has changed quite a deal. This bill
8 originally was fair and just wages for all. And so,
9 now, this bill is just adopting a 5-year implementation
10 schedule to increase the compensation. And that, of
11 course, will be with the Secretary of CDCR.

12 Last but not least, another hot bill that I
13 want to thank Board Member Davison for alerting me on
14 this one. This is AB 2730. This bill creates the
15 California Anti-Recidivism and Public Safety Act, and it
16 requires CDCR to establish a 5-year pilot program that
17 would provide for the housing of program participants in
18 a community campus-like setting.

19 This bill also provides opportunities for job
20 training and work experience to individuals during their
21 last two years of incarceration. It has been referred
22 to the Senate Public Safety. I've been tracking this
23 bill right now. I've been talking with CDCR leg staff.
24 CDCR, we're waiting for a lot of specific details about
25 this bill.

1 There's a lot of questions. It sounds like a
2 great bill, but there's just a lot of specifics that
3 need to be kind of worked out. Right now, it's subject
4 to appropriations, and we haven't seen money in the
5 budget for this specific bill. So, that remains to be
6 seen.

7 And now, I'm just going to turn it over to our
8 leg sub-committee members. Mack could not be here, but
9 Armond, or Felipe did you want to comment on?

10 BOARD MEMBER MARTIN: Yes. So, just really
11 quick, it was a great experience going down to the
12 capital, meeting a lot of the legislative people there.
13 They were very receptive, very welcoming. It was
14 grueling. We spent pretty much all day there.

15 ASSISTANT GENERAL MANAGER KANE: All day. Hot
16 day.

17 BOARD MEMBER MARTIN: But it was well worth
18 it. Worth letting them know how — what an impact we're
19 really making as far as the individuals that we train
20 through our program. And I know it's not empirical
21 data, as it may seem, but 15.4 percent recidivism rate
22 is something to brag about. I mean, we're really making
23 a difference in the people that go through our program,
24 and I don't really believe it's — we've shared it
25 enough. And we really need to get it into people's

1 hands, and really help them understand how big that is.
2 Because someone, I mentioned it to someone and they
3 said, "Well, is that really good, or what is that?" And
4 I went, "Woah."

5 (Laughter)

6 ASSISTANT GENERAL MANAGER KANE: It is great.

7 BOARD MEMBER MARTIN: Yeah.

8 BOARD MEMBER VAUGHN: It's just fantastic.

9 BOARD MEMBER MARTIN: It's fantastic. And,
10 but people don't know what the recidivism rate is. So,
11 they don't understand that 15.4 is a huge
12 accomplishment. And to be able to say that, and for our
13 programs to be able to improve people's lives. And no,
14 we don't know exactly how many are working and how many
15 are not, but I'm hoping that in the future we will, and
16 we'll be able to show that, you know look, the ones that
17 go through PIA, that are able to work and understand
18 that, "Hey, I got to get up in the morning, I got to go
19 work, and I got to, you know, put food on the table,"
20 that's part of the process. Regardless of what
21 certificates you give them, regardless of what you do,
22 part of understanding how you go to work and get up and
23 do that and going every day is a huge ordeal.

24 So, 15.4, we have to brag about that.

25 ASSISTANT GENERAL MANAGER KANE: Yes, yes.

1 BOARD MEMBER MARTIN: We have to be proud.

2 So, kudos to you.

3 (Applause)

4 BOARD MEMBER AGHAKHANIAN: Thank you, Felipe.

5 And it was a wonderful day. And as some of you know,
6 I've been doing this for 22 years. And, for the amount
7 of legislatures we met that day, and we did literally
8 kick down doors and took names with some of them, like,
9 "Hey, we're here."

10 We met more senior legislators that day than
11 the people that hire the lobbyist. Would have probably
12 taken them six months to even get to the door of the
13 people. And these were pretty high ranked. Chair of
14 the Appropriation, that's easy. Some of them, you know,
15 because of personal, you know, friendships, and some of
16 them because, you know, they are aware of.

17 But I do agree with Felipe. I have to talk to
18 Mr. Davidson about doing this at least every other
19 month. Because the reality of it is, is that what's
20 coming next year is a third of the legislators will be
21 gone. And, or some of them will be completely terming
22 out, or at the last leg, which makes them completely
23 irrelevant. You know, sorry, strike that from the
24 records. But you know.

25 But that's a reality of Sacramento. So, I

1 think that continuously doing this is important. But
2 also, I think I would like to go in back to the
3 wholistic approach. We also need to find, you know,
4 studies. You know? In terms of what we are doing and
5 things like homelessness. You know?

6 Homelessness is a big issue. The state is
7 throwing billions at this. Well, if we can go back and
8 say, well, some of these individuals who we've trained
9 are decreasing in numbers, you know? They have good
10 paying jobs now. They can afford to live in their
11 neighborhoods.

12 And I think that's something that, again, down
13 the road, some of the data, if we can really, you know,
14 find that argument. Because with legislators, it's
15 what's the hot topic of the month, right? Or of the,
16 say, whatever it is. Right now, as you are aware, this
17 is a big issue. And I think for what we're doing, of
18 course it's impacting, but it has to be in the language.

19 And I think for us, finding a commonality in
20 terms of what our, you know, what our talking or bullet
21 points are, and making sure that everyone here, you
22 know, reaches out to their legislators, and talks to
23 them and to their networks as well about what we're
24 doing. It would help us. Because, I'll be honest with
25 you, Felipe knows this, and I didn't know. I thought we

1 had a lobbyist. You know? I thought we were out there.
2 And they told me we can't, we can't have it. So, we are
3 literally the lobbyists here. Even though we're not
4 certified or registered as lobbyists.

5 BOARD MEMBER MARTIN: We're not lobbyists.

6 BOARD MEMBER AGHAKHANIAN: We're not. We're
7 advocates.

8 BOARD MEMBER MARTIN: Let me make that clear.
9 We are not lobbyists.

10 (Crosstalk)

11 ASSISTANT GENERAL MANAGER KANE: Advocates.

12 BOARD MEMBER AGHAKHANIAN: So, so we are the
13 advocates, and we need to continue to do this. So,
14 thank you, Mr. Davidson, for approving this. At least,
15 you know, during the session, to do this every other
16 month to go down and visit some of these individuals.
17 And, you know, and really, you know, show them what it
18 is, and I hope we can increase, also, some of their
19 visits.

20 We're going up there to the county that the
21 next speaker of the Assembly represents. And why not
22 invite him, you know, Mr. Rivas, to show up to one of
23 our facilities out there. You know? And, and I think
24 those things matter. Because, again, once they're
25 there, they see, and they see the data, and we'll link

1 it with things like homelessness and, you know. I think
2 it will help us tremendously. Thank you.

3 ASSISTANT GENERAL MANAGER KANE: And that's
4 what we also do with graduations and especially like I
5 said, COVID really hindered us. We weren't able to hold
6 graduations. We weren't able to do the tours. I — we
7 did tours all the time with legislators and staff. And
8 at graduations, I always invite the legislative leaders
9 to the events, so they can actually see this. So, they
10 can see it first-hand.

11 And it's different when you get to go face to
12 face and talk to them in person. It makes a difference,
13 you know. Zoom calls and Teams calls, that's great, but
14 it's not the same. It's quite the difference when
15 you're able to be at the Capitol or be at a graduation
16 and get to have that face-to-face contact. And they get
17 to see and hear from the participants in our program.
18 Our participants, I love going on tours and just
19 actually turning it over to them and they shine. It's
20 not us shining, they shine the light on our program.
21 So, anyhow.

22 BOARD MEMBER MARTIN: So, just to add to Dr.
23 Aghakhanian's comments. We are advocates. We did, a
24 couple of us, or all three of us wrote letters of
25 opposition to SB 1089. Unfortunately, in one of the

1 subcommittees, the Safety and Health, it was lost,
2 somehow. They somehow didn't find them until I made a
3 fuss about it and then they found them, but it was
4 already after the hearing. This time, I was able to get
5 ahead of it, and they said yes, we did receive it, and
6 they did include some of our language in there, and that
7 is going in front of the Safety and Health —I mean the—

8 ASSISTANT GENERAL MANAGER KANE: Public
9 Safety.

10 BOARD MEMBER MARTIN: Public Safety. So, the
11 process is interesting. You've been through it, but I
12 haven't. So, it's interesting that the fifth largest
13 economy can just lose letters like that.

14 BOARD MEMBER VAUGHN: First of all, I've done
15 a lot of these legislative days, and I — so I applaud
16 you guys for sticking it out and doing it, because it is
17 definitely a requirement of the work if you want to let
18 your self be known, and also to put work with our
19 legislative bodies to put, to, you know, help author
20 some bills that could benefit the work that we do,
21 right? Like, so, that's a part of it too.

22 So, just to say that. I just want to make
23 sure I'm clear that when we do our looking at the data,
24 will we be looking at a wage study too, in terms of
25 post-placement? Because I just think that what he said

1 about the homeless piece, making sure that we understand
2 that people that benefit from our programs while
3 incarcerated, the type of jobs that they can get in
4 terms of a livable wage, is extremely important to marry
5 it with an issue like homelessness. Right? We want to
6 be able to say that, factually, that they actually do
7 get these higher paying jobs based on the skillset.

8 GENERAL MANAGER DAVIDSON: We have to know
9 what data will be available, but ideally yes. That, I
10 mean not just whether they got jobs, but what kind of
11 jobs they got. Yes.

12 BOARD MEMBER VAUGHN: Okay

13 BOARD MEMBER AGHAKHANIAN: So, I'm just, out
14 of curiosity, just in a technical part of it. Once
15 these individuals are out in the society, we still have
16 — don't we still have access to them?

17 ASSISTANT GENERAL MANAGER KANE: No.

18 BOARD MEMBER VAUGHN: No, that's the issue.
19 Right? We really don't have access. That's why at
20 least part —

21 BOARD MEMBER AGHAKHANIAN: Even if they're on
22 probation?

23 BOARD MEMBER VAUGHN: I run one of the largest
24 homeless agencies in the nation. The LA Mission is
25 probably one of the largest homeless organizations in

1 the nation. And so, I run that organization. So, my
2 work I do, and within the state, the largest re-entry
3 network that we have, I oversee that, I founded it.

4 And so, I'm raising these issues because,
5 because I work on the back end of it and that if we're
6 trying to create a data system that can help with the
7 argument and the conversation, I'm just trying to
8 highlight some areas that I think is important for us to
9 be able to pinpoint, so that it does create greater
10 advocacy, and partnership linkage. Right?

11 That's the work that we want to understand.
12 There are many agencies that come in — Amity Foundation,
13 Jeff, you work with. Doug Vaughn, who sits on one of my
14 boards. Yeah. These levels of partnerships with
15 agencies that are actually going into custody and doing
16 this work, that's where we can begin to bridge the gap
17 so that the post-incarceration, right? There's an
18 agency or an entity that we've linked up and partner
19 with that's actually responsible for capturing data.
20 The work that we're going to be doing with probation and
21 parole, hopefully as we have conversations with DAPO,
22 get to make sure that those CBO's, those community-based
23 organizations that they're partnering with, is
24 understanding the work that we do, and there's a
25 pipeline of connectivity so that we can actually go back

1 and say, "Hey, look. Can we make sure that the
2 individuals that come through our program, that connect
3 with your program on the outside, that we have an
4 ability to stay connected with them?" So that that can
5 inform the data sets that we're trying to capture."

6 BOARD MEMBER MARTIN: That creates an
7 evidence-based program, which is really what we want to
8 do. Right?

9 BOARD MEMBER VAUGHN: That's exactly right.

10 BOARD MEMBER MARTIN: I mean, we want to make
11 sure that we're focusing on evidence-based programs so
12 that, okay. We know this works, we don't have to re-
13 invent the model, we don't have to put a whole bunch of
14 stuff on the wall, and nothing works. We know what
15 works, and we focus on that.

16 BOARD MEMBER VAUGHN: That's exactly right.

17 BOARD MEMBER DAVISON: And that's what we're
18 working on. But I have one question for you, Michelle,
19 and for your committee.

20 ASSISTANT GENERAL MANAGER KANE: Yes.

21 BOARD MEMBER DAVISON: Would it not be, or, I
22 guess, is it — would it be inappropriate for, like, this
23 committee that's happening right now. If it was not
24 happening right now, would it not be appropriate for one
25 of the committee members to be present at that committee

1 and represent PIA's interests?

2 BOARD MEMBER MARTIN: You know, technically, I
3 should have missed this meeting. I should have been
4 there. So, you're absolutely right, I probably should
5 have changed my priorities instead of being here and
6 been there.

7 GENERAL MANAGER DAVIDSON: I will say that as
8 a board member — no, I would say us, we run a great risk
9 by doing that.

10 BOARD MEMBER DAVISON: No, I mean as a board
11 member.

12 BOARD MEMBER MARTIN: As an individual, and an
13 advocate of PIA —

14 GENERAL MANAGER DAVIDSON: Yes.

15 BOARD MEMBER MARTIN: Which I am.

16 GENERAL MANAGER DAVIDSON: Yes.

17 BOARD MEMBER MARTIN: I would, I think I
18 should have changed my priorities and been there.

19 BOARD MEMBER DAVISON: No, not as a state
20 employee, you cannot.

21 BOARD MEMBER DAVISON: In front of a board,
22 no.

23 BOARD MEMBER MARTIN: Non-state employee, I
24 can do that.

25 GENERAL MANAGER DAVIDSON: Yes.

1 BOARD MEMBER DAVISON: Right. Oh, okay. So.

2 ASSISTANT GENERAL MANAGER KANE: So, go to the
3 capital right now, please. No.

4 (Laughter)

5 BOARD MEMBER DAVISON: Well, let's turn the TV
6 on and see. No, we want to hear from Rusty. Because,
7 you have a load of information that people want to hear.

8 ASSISTANT GENERAL MANAGER BECHTOLD: You guys
9 have already talked about a lot of it.

10 BOARD MEMBER AGHAKHANIAN: But I think—

11 BOARD MEMBER MARTIN: I think —

12 BOARD MEMBER AGHAKHANIAN: I do agree with
13 you, and I think also, you know, planning is important.
14 Even if we get some of these former, you know,
15 incarcerated individuals, to come forward and testify.
16 You know, you've been to these committee hearings.
17 You'll see a group of people who are very passionate.
18 They'll show up and believe it or not, legislators, you
19 know, they look at, you know — you heard the questions.
20 They'll ask you the technical stuff, but also, if you
21 show up in numbers and have people come up and speak,
22 and I think those are the things that we need to start
23 planning, because I was shocked that this got out of the
24 senate.

25 Because, when I asked my own senator, who is

1 the Chair of the Appropriation for the senate side, they
2 were like, kind of like, well, it came through, and —

3 BOARD MEMBER MARTIN: There was no opposition.

4 BOARD MEMBER AGHAKHANIAN: No opposition. But
5 then you explain what it is, and the impact, and how
6 many people will be out of jobs, and the fact, look. I
7 mean, let's be very honest about this. The optometry
8 association has their own lobby. One of these guys got
9 angry, and said I'm losing money, millions of dollars,
10 went crying to the senators, and, you know. So, if you
11 want to know how this works, it's, you know, how the
12 sausage is made, per say?

13 You know, it's not that complex. The problem
14 is we don't have a lobby, we don't have an independent
15 expenditure group or ability to go out and, you know,
16 help some of these candidates. They do. That's the
17 reality of it.

18 But also, the fiscal impact that will be done.
19 Then, what's going to happen, 140 percent increase? I
20 mean, no one is talking about this. This is going to
21 cost the state a lot of money.

22 BOARD MEMBER OSBORN: They're hoping
23 (INDISCERNIBLE) finance too. Not just, not finance
24 (INDISCERNIBLE).

25 BOARD MEMBER MARTIN: So, part of what I

1 believe the important part of what our committee is
2 going to be doing is informing legislators and senators.
3 I mean all of them, you know, assembly, senate, and
4 letting them know what we do, and the good work that
5 we're doing. And once we do that, that creates good
6 will. Right? You need — they need to understand what
7 it is that we do. First and foremost.

8 Most of them don't, so we need to educate
9 them. And education is important regardless of where
10 (INDISCERNIBLE). We need to educate people on what it
11 is we do. And even within CDC, and I hate to say this,
12 I speak to a lot of my friends that continue to work for
13 CDC, and they don't really know what PIA —

14 UNIDENTIFIED SPEAKER: "R."

15 UNIDENTIFIED SPEAKER: CDCR

16 BOARD MEMBER MARTIN: Sorry, sorry. I am from
17 the old, 20-30 years ago.

18 ASSISTANT GENERAL MANAGER KANE: The
19 rehabilitation.

20 BOARD MEMBER DAVISON: Yeah, yeah you are.

21 BOARD MEMBER MARTIN: So when I started — I am
22 old, yes. But the CDCR. So, you know, we just need to
23 make sure that we share that.

24 BOARD MEMBER DAVISON: But you know who tells
25 the best story?

1 BOARD MEMBER MARTIN: The, yes.

2 BOARD MEMBER DAVISON: The formerly
3 incarcerated.

4 BOARD MEMBER MARTIN: Absolutely.

5 BOARD MEMBER DAVISON: To tell their own story
6 would be —

7 BOARD MEMBER MARTIN: And that is why I'm so
8 proud that you guys are hiring a former individual that
9 went through the program. And the impact that they're
10 going to have on the people going through. I think that
11 will drive them, we will have more success through that
12 program because it's a tough program. And a lot of
13 people fail out. Right? But I think we will have less
14 people failing out with them going through this program.
15 So, and especially with that individual at the helm.
16 So, I'm, yeah.

17 ASSISTANT GENERAL MANAGER KANE: Our upcoming
18 graduation in San Diego, I have a former success story
19 that's coming inside, and he's going to be speaking.
20 And he's a success story from our HFM program. And he's
21 been out for many years, and so, he's one of our
22 speakers. And so, again, this is wonderful invitation
23 for media, legislators, just to see what our program's
24 all about.

25 BOARD MEMBER MARTIN: How difficult is it for

1 you to get formerly incarcerated individuals?

2 ASSISTANT GENERAL MANAGER KANE: We have to
3 work with the warden.

4 BOARD MEMBER MARTIN: But, really, even when
5 you do talk to them, how difficult is it for you to
6 convince them to come and speak? Because a lot of them
7 want to be just like our former —

8 ASSISTANT GENERAL MANAGER KANE: We have a
9 lot—

10 BOARD MEMBER MARTIN: — board member that
11 wants to be irrelevant, right?

12 ASSISTANT GENERAL MANAGER KANE: Well, yes.
13 And that's our difficulty with this is, a lot of — even
14 folks — we have a lot of success stories in our optical
15 program. But a lot that I've talked to, they don't want
16 to come forward. They are already established in their
17 job; their co-workers don't know that they were in
18 prison.

19 So, it's the stigma. It's, it's really hard
20 to fight that. And I struggle with it constantly. So,
21 when we do get those, when we do get the success
22 stories, I'm, I want them, like, shining, because I want
23 more to come forward to say, "Hey. I, you know, I
24 messed up. I was incarcerated. So, what. But look at

1 me now. I have this wonderful career."

2 BOARD MEMBER DAVISON: Do you see that with
3 the women?

4 ASSISTANT GENERAL MANAGER KANE: I see it with
5 the women, yes.

6 BOARD MEMBER DAVISON: With the women too.

7 ASSISTANT GENERAL MANAGER KANE: Yes.

8 BOARD MEMBER MARTIN: And that's where the
9 difficulty comes in, because we want to advocate, and
10 the best advocate is a formerly incarcerated individual.
11 But we can't get them to come forward. Why? Because
12 they don't want to let everyone know. They, they have
13 established themselves, they're doing well, and you know
14 what? We're proud of them that — that's as far as they
15 want to go.

16 GENERAL MANAGER DAVIDSON: So, I want to make
17 sure, Ms. Osborn had a comment a few minutes earlier,
18 did you —

19 BOARD MEMBER OSBORN: Yeah, I just wanted to
20 suggest that data issue, which obviously we are miles
21 past at this point. But, to that there is a State
22 Office of Digital Innovation that does, like solves,
23 like tries to solve the exact problems that you're
24 describing. Which is, we don't have a data source, we
25 don't have a way of tracking. They'll actually do,

1 like, put together a plan to, you know, who are all the
2 relevant groups that work with these folks after the
3 fact, and how can we partner with them? I was going to
4 suggest, maybe reaching out to them.

5 GENERAL MANAGER DAVIDSON: And they're under
6 the Department of Technology umbrella?

7 BOARD MEMBER OSBORN: They're under GovOps.

8 GENERAL MANAGER DAVIDSON: GovOps, okay.

9 BOARD MEMBER OSBORN: And they love problems
10 like this. Like, this is, right, their bread and
11 butter. And the, you know, they just — they're also
12 heavily involved with the cradle to career program. And
13 so, it's you know, somewhat similar although starting at
14 a different point. So, I was just going to suggest
15 reaching out to them or the Chief Data Officer, Joy
16 Bonaguro, who could kind of probably help come up with,
17 if you're looking at doing, you know, an RFP, or some
18 way to kind of put out a request for innovation to solve
19 the problem, they might be a good place to start.
20 Because they are already doing this stuff.

21 GENERAL MANAGER DAVIDSON: Great, great
22 suggestion, thank you.

23 BOARD MEMBER VAUGHN: And I'd like to offer a
24 presentation we made at the Los Angeles Regional Reentry
25 Partnership, which is the largest reentry organization

1 in the state. And, that I cofounded. And I think it's
2 important to speak to that for, right? To let them know
3 about the work and to bridge this gap and the
4 partnership. Many of them are CEO's, Executive
5 Directors of non-profit organizations. Also, business
6 owners in the private industry, people with lived
7 experience, basically the whole group is about people
8 with lived experience.

9 GENERAL MANAGER DAVIDSON: We'd love to have
10 that.

11 BOARD MEMBER VAUGHN: And a lot of them are
12 coming through the CALPIA programs. And so, having a
13 presentation there and speaking about things like the
14 joint venture partnership and data and meeting, you
15 know, the lived experience voice at the table to help
16 with combatting some of these issues that are around
17 non-visibility. I think it's very important that we
18 start speaking to these types of groups, and I can be a
19 conduit to help with some of those presentations.

20 ASSISTANT GENERAL MANAGER KANE: That would be
21 great.

22 CHAIR MACOMBER: And I wanted to pave back on
23 what Jennifer had said too, that perhaps our Division of
24 Rehabilitative Programs might be a good partner on this.
25 Because we have the same challenges in determining data

1 for our career tech programs and other stuff. And
2 there's other pieces of this, with accessing social
3 security numbers and what you can do. So, there's some
4 other potential legislative hurdles, not just, not just
5 the system. But we, we would be very interested, I
6 think, on the CDCR side for the same, going in the same
7 direction.

8 BOARD MEMBER AGHAKHANIAN: So, I also, for
9 just future references, I think moving forward, and I'm
10 going to use the word, aggressive approach. Because, if
11 this bill passes, that then the next thing you're going
12 to see is the furniture industry coming forward saying,
13 "Well, you know, how about we take this too?" And we're
14 going to — because in the bill, there is a private
15 sector. So, they're going to go get their lenses from
16 other countries. It's part of the legislation. And if
17 this passes, it would, furniture will be next.

18 GENERAL MANAGER DAVIDSON: The Flora Bill
19 passing last year is what opened that door, that door
20 was probably opened, and we've got to close that.

21 BOARD MEMBER AGHAKHANIAN: Well, yeah. And I
22 mean, we didn't know about it, did we. So, I do
23 recommend, you know, us moving more aggressively on
24 this. Having this data available, having these power
25 points available for all here who can go to our partners

1 in our community and do this.

2 Because again, I repeat myself. I thought we
3 had an outside entity doing this work for us, we had
4 lobby— we don't. So, this is us, we are the advocates.
5 And, you know, for me, this is important. Because what
6 we do here differentiates us from most of the other
7 institutions out there.

8 BOARD MEMBER VAUGHN: Oh, absolutely. I think
9 there's an opportunity to change the narrative, right?
10 I don't know if we would want to change it, but I think
11 there's an opportunity to change the narrative to more
12 of a joint venture conversation, right? Like,
13 (INDISCERNIBLE) for ACE. You know? It minimizes the
14 impact of people coming in that that are in private
15 business. And then, it puts a different value on it.
16 Right? Like, and so, it works — having these
17 conversations with our state legislators, we switch the
18 narrative to a more joint venture conversation. We
19 have, now we know we have data there, right? That we're
20 starting — that's starting to emerge that we can shift
21 in a different way. And all of our enterprises stay in
22 tact, and we change the conversation.

23 BOARD MEMBER AGHAKHANIAN: They can write
24 bills about the almond stuff now if they want to.

25 (Laughter)

1 ASSISTANT GENERAL MANAGER KANE: Hopefully
2 not. Okay. And that's, I just look forward to the
3 upcoming graduations and tours and our legislat— we're
4 just going to continue being aggressive, getting the
5 word out.

6 BOARD MEMBER MARTIN: So just, really quick,
7 and I know you send out an email.

8 ASSISTANT GENERAL MANAGER KANE: Yes.

9 BOARD MEMBER MARTIN: But could you just send
10 out calendar invites? So that way we could either
11 accept or reject.

12 ASSISTANT GENERAL MANAGER KANE: That would
13 make —so it just pops up on your calendar? We can do
14 that.

15 BOARD MEMBER MARTIN: And that way it just
16 makes our life easier?

17 ASSISTANT GENERAL MANAGER KANE: We will.
18 We've got that.

19 BOARD MEMBER MARTIN: Thank you.

20 ASSISTANT GENERAL MANAGER KANE: No problem.
21 All right. So, again. July 26th, RJ Donovan, San Diego.
22 Okay.

23 BOARD MEMBER MARTIN: Thank you.

24 ASSISTANT GENERAL MANAGER KANE: Rusty?

25 ASSISTANT GENERAL MANAGER BECHTOLD: Thank

1 you, everyone.

2 (Crosstalk)

3 ASSISTANT GENERAL MANAGER BECHTOLD: Hello,
4 Board Members. Thank you for being patient and getting
5 to the end here in regards to the final report. I'd
6 like to introduce myself, Rusty Bechtold. I'm the
7 Assistant General Manager of CALPIA's Workforce
8 Development Branch. I'm the CALPIA representative for
9 the PIB subcommittee of incarcerated individual
10 employability.

11 I'd like to thank the member, Dawn Davidson,
12 Mack Jenkins, and Troy Vaughn for participating and
13 being a part of this group, because it's been quite a
14 journey and quite a lot of good ideas out there. I'd
15 like to say a special thanks to the Assistant, Charity
16 Clark, for helping organize all of our meetings. That
17 sometimes can be challenging at times with all of our
18 schedules, so I appreciate her doing that.

19 It's been interesting hearing all of you
20 discuss all these points, because I'm about ready to
21 talk about some of these things. So, by all means, when
22 I get to the end, the members, subcommittee members, if
23 there's something else that you'd like to add or go
24 over. But I'll try to hit the highlights in regard to
25 some of the things we've been working on and some of the

1 inspirations that the group has actually put in to
2 motion already in to CALPIA. So, if there's any further
3 questions at the end, I'll be happy to introduce those
4 things.

5 The subcommittee had a very clear direction
6 from the very beginning, because we figured that we
7 might go down the wrong rabbit hole. So, we wanted to
8 make sure it was a very clear mission. So, we said that
9 we're going to oversee CALPIA's methods and actions of
10 transitioning incarcerated individuals into successful
11 meaningful employment and careers. So, if the fact that
12 we ever wanted to figure out if we are travelling down
13 the right path, that was our purpose in meeting back in
14 October of last year.

15 I want to highlight three main items that were
16 inspired, or we are currently working on. There are
17 probably at least 20 others that we discussed in regard
18 to ideas. But I want to kind of hit the three main ones
19 that we're currently working on.

20 First of all, you've already kind of discussed
21 some of those things already, but we're working and
22 partnering with the Division of Adult Parole and
23 Operations, or otherwise known as DAPO. And, we're also
24 putting together a Post Release Community Supervision,
25 or PRCS contact with CALPIA. What we're trying to do,

1 is creating a share or warm handoff from our individuals
2 who are completing the program, earning certificates,
3 and reentering the community, through DAPO and PRCS, so
4 that those individuals can have the information when
5 they're reentering, or all the credentials,
6 certificates, and job training that they have so that
7 they can help better place those individuals when they
8 get out.

9 Right now, they don't have any CALPIA
10 information. They don't have anything regarding what
11 they did, what their experiences were, and they end up
12 having to start all over again. So, we're already
13 currently working with DAPO in regard to sending them
14 some samples in regard to what we're trying to
15 transition them off to.

16 Working with Member Jenkins and Vaughn in
17 regard to making that contact with the Chief of LA, so
18 we can sample and try to get that same process going, so
19 that way we can actually get that information in the
20 right hands, and so that they can use those job skills,
21 certifications, and knowledge right the boot — on boot
22 level ground. So, that's already underway with DAPO.
23 The next step is working with LA County to see if we can
24 open that door as well.

25 The second one is a partnership that we're

1 currently working with the Employment Development
2 Department, or EDD. And, Mr. Macomber, we're already
3 working with CDCR, so I'm glad that you see the same
4 thing in regard to working with them. So, we've
5 partnered with CDCR and EDD and the local Workforce
6 Investment Board, and more specifically, Mother Lode,
7 who is in the Mule Creek SEC area.

8 What we're doing, is we're creating a web-
9 based connection through EDD's CalJOBS website. And
10 we're trying to do a pre-release job placement, before
11 the individual is actually released, so that way we can
12 identify employers that are willing to hire these
13 incarcerated folks before they even get out. So the
14 fact is, that they can actually have a name, number,
15 phone number, interview, an actual some place to go, or
16 a target to get to, before they even hit the gate.
17 Because once they leave, they lose interest, and they
18 get distracted about all kinds of things.

19 So, we're actually working with all three in
20 regards to developing their resume, job application
21 training, job offers, interviews. This is a whole
22 electronic web-based format that's already been vetted
23 through CDCR's EIS and worked through Mother Lode. All
24 we're now in the process of doing is setting up that
25 particular software and rolling them out at one

1 institution at a time. We anticipate trying to use our
2 workforce development coordinators to help with that
3 process at each of those institutions. Once those
4 individuals agree to participate in that program.

5 Number three, was CALPIA's wage and employment
6 verification data project. All of you have probably
7 spoken about that earlier in this board meeting. But we
8 are very close in regards to finishing that particular
9 process, procedure, and starting to collect that data in
10 regards to EDD wage data.

11 We're also partnering with CDCR, Mr. Macomber,
12 in regards to the contract the CDCR holds. We actually
13 send them our social security numbers. They're running
14 it along with their particular data pull. They send it
15 back to us, we reconcile the data to make sure that it's
16 accurate, and then we're going to be reconciling that
17 inside of our own IEP, PIE database, so that way we can
18 overlay that on top of the recidivism study and try to
19 make some correlations between jobs, where they're
20 going, what's the recidivism study.

21 So, we are very, very close in regards to that
22 happening. In regards to starting to move forward in
23 that process. By the end of 2023, we should have that
24 three-year window of the same that matches that
25 recidivism study in regards to having job-wage data for

1 those individuals.

2 We are running into some barriers with social
3 security numbers. Just like Mr. Macomber talked about.
4 We have to reconcile that data, and right now we're
5 about 70 or 75 percent accurate. The individuals aren't
6 as truthful as you would think they would be in regards
7 to giving an accurate social security number. But, we
8 have no other way to verify that information unless we
9 have an accurate social security number. So, but, I'll
10 take 70 or 75 percent because that's more than we had
11 before. In regards to trying to correlate that
12 information.

13 Over the last year, since October of last
14 year, we have met five times. We've made positive
15 influences and recommendations to the organization
16 through the members about improving the incarcerated
17 individuals' employability upon release. I've heard a
18 lot of great ideas in the room already. I'm sure the
19 other members have taken note of that as well. If any
20 of you would like for us to discuss and see if there's
21 some — a better way that we can improve on something, by
22 all means, send it to one of us and we'll be happy to
23 discuss it and see where we can go with that.

24 That completes my brief summary. Unless some
25 of the other members have anything further to add about

1 our group?

2 BOARD MEMBER VAUGHN: I'm just very excited
3 about what you've landed on. I think this speaks to
4 what I was saying earlier, and why I'm so passionate
5 about it. Because we've invested time in really putting
6 a product on the table that (INDISCERNIBLE) that the
7 work we do, both directly, and I think have a real
8 strong indirect benefit to us and start lending itself
9 to mechanisms and partnerships that can be created that
10 already exist.

11 But just us coming to the table to partner
12 with them gives us now this ability, and particularly
13 the joint venture between DAPO and probation across the
14 state. So, that's why going to CPOC is important, and
15 really making that, you know, a presentation to them to
16 understand that connecting to individuals that are
17 coming out under post-community supervision, really is a
18 benefit for everybody to understand what skills they've
19 developed while they were incarcerated. And now, we
20 have a build-in mechanism where we can track it, right?
21 And it already exists.

22 And then also, the data that we want to
23 capture with EDD. Extremely, extremely important for us
24 to really begin to work on that particular component and
25 build it out. And the fact that we have a workforce

1 inside that allows our ability to really begin to
2 capture that data, that being is a win-win for us.

3 And, without question, the wage study. I
4 think that piece right there is going to help us when we
5 go to work with our legislative representatives, to
6 really begin to have the conversation about the type of
7 jobs that people are getting. Right? This conversation
8 is a game changer. Because it really now begins to
9 impact other sectors that have great interest to the
10 legislative body, and particularly around homelessness,
11 and how we can really begin to create a livable wage
12 that can have a great impact on people's ability to
13 survive once they come out. So. I want to thank the
14 staff for, you know, Rusty and his leadership, and
15 really bringing us into the conversation. And then, you
16 know, obviously, my partners in helping us to really
17 drive it forward. But I'm excited about it. And I'm
18 grateful to be on the committee.

19 BOARD MEMBER MARTIN: I just wanted to thank
20 you guys as committee members, and also Rusty, for doing
21 what you guys are doing. I mean, I think it's
22 fantastic. It is what we're all about is making sure
23 that they have a job when they leave here. Right? And
24 that they have a livable wage, not just a wage. So,
25 something that they could actually survive on.

1 But, I just want to make sure that we're not
2 creating twice the amount of work. Because if CDCR is
3 working on one thing, and we're working on a different
4 one, I just want to make sure that we're collaborating
5 with them to ensure that our programs that we're
6 implementing or putting in place are also being shared
7 with CDCR. Because, in speaking to Jamal Rowe, he's
8 still not getting all the information. And I just want
9 to make sure that CDCR and PIA are working jointly to
10 create these programs. Because it's important. Not
11 just with our 7,000 individuals that we work with, but
12 the other, you know, 90,000, because it's 97,000, are
13 also being impacted or touched.

14 ASSISTANT GENERAL MANAGER BECHTOLD: And to
15 answer that question, I'm now meeting once a month for
16 the last six months with an actual CDCR DRP employee,
17 that's actually — we're talking about and conversing
18 about the things that they're doing versus what we're
19 doing, so that we're not duplicating things.

20 BOARD MEMBER MARTIN: Perfect.

21 ASSISTANT GENERAL MANAGER BECHTOLD: And that
22 the fact that we put the right shoe in the right foot in
23 regards to they recognize what PIA does well and what
24 they do well and we're trying not to traverse on each
25 other's.

1 BOARD MEMBER MARTIN: Excellent, thank you.

2 ASSISTANT GENERAL MANAGER BECHTOLD: And then,
3 to add to your question, Member Martin, about the
4 question about the electronic access to their
5 certifications. So, I've been working on that. And to
6 — right now, in the past they were receiving a pile of
7 papers with all their certificates whey they were
8 leaving.

9 BOARD MEMBER MARTIN: Yeah. Which goes out —
10 yeah.

11 ASSISTANT GENERAL MANAGER BECHTOLD: It's not
12 —

13 BOARD MEMBER MARTIN: First stop, it's lost.

14 ASSISTANT GENERAL MANAGER BECHTOLD: It's not
15 effective. I realize that. So, we created an
16 electronic landing page on our website where currently
17 they can go on, once they're released, and
18 electronically ask us for their documents, and we can
19 send it to them.

20 Second part of that is, is that, we're making
21 up an actual point where they don't have to take a big
22 pile of paperwork home now, they're going to take a QR
23 code and a business card home with them and all they've
24 got to do is either scan that card, call the 800 number,
25 or use the email address and we will send them the

1 electronic documents the best way we can get to them.

2 BOARD MEMBER MARTIN: So, does that QR code
3 take them directly to their documents or just take them
4 to the website?

5 ASSISTANT GENERAL MANAGER BECHTOLD: It takes
6 them to the website. Because we have to officially — we
7 have to pull them individually from our database that's
8 secure, and then on, then overlap them into something
9 else that's shareable to them.

10 BOARD MEMBER MARTIN: And how long does it
11 take us to get them the information once they've
12 requested it?

13 ASSISTANT GENERAL MANAGER BECHTOLD: Minutes.

14 BOARD MEMBER MARTIN: What's the turnaround
15 time?

16 ASSISTANT GENERAL MANAGER BECHTOLD: I mean,
17 minutes. I mean, once they ask us, we can pull it, put
18 it in an email, or put it in some other electronic file
19 and send it to them. It's very, very low — quick
20 turnaround. It doesn't take much at all.

21 And then, the final thing that I wanted to add
22 on to, is this other CalJOBS connection that we're doing
23 pre-release, allows us to go into their particular
24 profile in CalJOBS and actually load all of their
25 documents in to that document. Once they are released,

1 CalJOBS account is released back to CalJOBS and they now
2 have access to everything they did inside the
3 institution.

4 BOARD MEMBER MARTIN: Great.

5 ASSISTANT GENERAL MANAGER BECHTOLD: So then
6 all of those things would include those electronic
7 documents that they asked for prior to them releasing.

8 BOARD MEMBER MARTIN: Does CDCR have access to
9 those documents as well?

10 ASSISTANT GENERAL MANAGER BECHTOLD: To the
11 pre-release side?

12 BOARD MEMBER MARTIN: Yeah, so the parole
13 agents. I mean, do they have access?

14 ASSISTANT GENERAL MANAGER BECHTOLD: Well,
15 that's the part that we're working on the other side,
16 where we're trying to do that warm shake hand off thing,
17 so we can—

18 BOARD MEMBER VAUGHN: That's the partnership
19 we're going to bridge with DAPO. We're trying to work
20 on that base there.

21 BOARD MEMBER LOPEZ: It's going to be very
22 important that inmates have access to their
23 certifications.

24 UNIDENTIFIED SPEAKER: We can't hear you.

25 BOARD MEMBER LOPEZ: Once they get welding

1 certifications, it's going to be very important for them
2 to reach back to you guys and get copies of them. So,
3 you do have somebody that can certify in welding, and
4 then soon after you'll have inmates that have
5 certifications. And once they're released, they're
6 going to have to have access to those certifications.
7 You know?

8 ASSISTANT GENERAL MANAGER BECHTOLD: In
9 printing them in paper, and a big binder, and sending
10 them off with them, we're not too successful at that.
11 That's why Member Martin was asking it. Because, we had
12 to come up to the day and age of providing them
13 electronically, quickly when they ask for them, or at
14 least the point where they don't have to go through.

15 BOARD MEMBER MARTIN: Progress takes time.
16 It's only taken three years, so I'm happy it's there.

17 BOARD MEMBER VAUGHN: Yeah. I mean, it's a
18 game changer from what it used to be in terms of what
19 we're trying to envision it becoming, right? And again,
20 they need to make the request, right? But, I think the
21 work we do, especially around trade positions. Right?
22 Like these trades opportunities. And we need trade jobs
23 on the outside. Like, and I think we have
24 (INDISCERNIBLE), we need the opportunity, again, to
25 really make sure that we are the bridge builder and

1 conduit that's speaking to that.

2 ASSISTANT GENERAL MANAGER BECHTOLD: And as
3 the CalJOBS connection not only from the incarcerated
4 individual side, but it's also provided us an avenue to
5 the employer side. We've been presented many times
6 about how do I participate in looking for second change
7 employee? I get that all the time. This CalJOBS entry
8 to employment network that we're designing is two-fold.
9 One, it provides a network for incarcerated individuals
10 to look for a job. But also, CalJOBS also allows them
11 to be a preferred employer, right now, today, and put up
12 jobs today, in regards to looking for that. And once
13 they become that preferred employer in CalJOBS, it
14 connects both sides.

15 So, it's creating a manageable resource that
16 CalPIA doesn't have to manage, that CalJOBS, through
17 EDD, is already doing and they're paying for. And we're
18 just putting the two together in regards to putting the.

19 BOARD MEMBER MARTIN: What kind of marketing
20 are we doing to let the business know that there's tax
21 credits out there for hiring these individuals? I get
22 them all the time. Because, I hire a company, they do
23 the interviews, and I get the tax credits. Right? But,
24 not everyone knows about that. So.

25 ASSISTANT GENERAL MANAGER BECHTOLD: That's

1 the next step.

2 BOARD MEMBER AGHAKHANIAN: Yeah, that's,
3 that's another thing, because I had brought this up as
4 well. I love to not only have the website, but even
5 someone they can call. Like, "Hey, I want to hire.
6 Like what's the process?" Do we have a number they can
7 call right now for the taxes?

8 ASSISTANT GENERAL MANAGER BECHTOLD: Well
9 right now, they can call our IEP 1-800 number, or the
10 IEP email address, and we can help those individual
11 businesses and walk them through the process.

12 BOARD MEMBER MARTIN: So really quick, I know
13 you guys had a job fair for individuals that were
14 leaving, right? Before they even left, and that it was
15 pretty successful. I think they hired —

16 ASSISTANT GENERAL MANAGER BECHTOLD: The civil
17 service, yes.

18 BOARD MEMBER MARTIN: Right. So, are you
19 going one step further, to where they can, maybe set up
20 interviews? Is that what I heard, that you're setting
21 up interviews before they actually leave, with
22 individuals?

23 ASSISTANT GENERAL MANAGER BECHTOLD: Correct.
24 That's all done on-site, from beginning to end, from
25 qualifications to taking the exam, to submitting an

1 application to having CALTRANS come on site and conduct
2 the interviews on site at the institution, to them
3 offering them a final letter of conditional employment
4 upon their release. And so, yeah. We — they handed out
5 23 letters last time at Solano. And currently we have
6 two incarcerated individuals that were released and are
7 currently working for CALTRANS in the Bay Area.

8 BOARD MEMBER OSBORN: Can other departments
9 also participate in that?

10 ASSISTANT GENERAL MANAGER BECHTOLD: They can.
11 We look for those sponsors that when we hold these
12 meetings through GovOps, we ask the committee, you know,
13 which individual organization is in need and wants to
14 sponsor this event.

15 BOARD MEMBER OSBORN: Because we have a huge
16 need, at DGS. But we don't know.

17 ASSISTANT GENERAL MANAGER BECHTOLD: And
18 there's a representative on that call. I'd have to go
19 back and look to see who that is.

20 BOARD MEMBER OSBORN: Yeah, just let me know
21 who that is, that would be great.

22 BOARD MEMBER MARTIN: So, what about private
23 industry? I mean, have we figured out how to plug them
24 in to these opportunities that, you know, they have and
25 we have, to kind of plug part of the industry in?

1 ASSISTANT GENERAL MANAGER BECHTOLD: Well,
2 that's why I'm hoping to do once I have this foundation
3 set with CalJOBS, is the fact that, you know, if they
4 have a need of 10 jobs, they should be able to put in
5 those 10 longer jobs. And when our individuals go
6 through the transition process, they're going through
7 that entry to employment network and finding those jobs,
8 so that way we're putting the two together before they
9 even release.

10 BOARD MEMBER MARTIN: Excellent.

11 BOARD MEMBER AGHAKHANIAN: There is no
12 legislation that requires private sector people to hire
13 certain percentage of formerly incarcerated — right?
14 There isn't? Well, there's a legislative idea, Mr.
15 Troy. You should look at that, right?

16 BOARD MEMBER VAUGHN: Privately.

17 BOARD MEMBER AGHAKHANIAN: Well, I mean,
18 California has come up with certain rules in the last
19 (INDISCERNIBLE).

20 BOARD MEMBER VAUGHN: We have it within
21 government, some government contracting that's there
22 now. And we've advocated for that and continue to
23 advocate for people with lived experience to be included
24 in the percentage of people they hire, especially when
25 they can avail themselves of government opportunities.

1 But it's always a conversation about — with the private
2 sector, you know.

3 BOARD MEMBER MARTIN: And it's a privacy
4 thing, right? Before you could ask if he had a record,
5 now you can't really ask if you have a record.

6 BOARD MEMBER VAUGHN: That's right.

7 BOARD MEMBER MARTIN: So, there's, unless it's
8 a sensitive job, then you could do that, but you really
9 don't. You can't ask. In my industry, we don't ask.
10 We don't care.

11 BOARD MEMBER VAUGHN: We, because we work to
12 pass around the box. I mean this is, (INDISCERNIBLE)
13 we'd like to ask the legislators, we, that's what we put
14 forward, the work to provide work for these.

15 BOARD MEMBER AGHAKHANIAN: But when they also
16 know about the tax incentives, then maybe they will,
17 okay.

18 BOARD MEMBER MARTIN: We don't hire based on
19 the tax incentives, they just do the interview, and you
20 just have to get it. Right? But that's, that doesn't
21 matter whether we hire them or not.

22 BOARD MEMBER VAUGHN: That's right.

23 BOARD MEMBER MARTIN: We hire them, company
24 does the interview, we don't even know if they qualify,
25 we just have to get the tax credit.

1 BOARD MEMBER DAVISON: That's the way it
2 should be.

3 BOARD MEMBER VAUGHN: Exactly.

4 BOARD MEMBER DAVISON: But it's not always
5 that way.

6 BOARD MEMBER AGHAKHANIAN: By the way, rush
7 healthcare is the one industry, like, I know government,
8 but what area is the high— the biggest hiring right now
9 from our formerly incarcerated? What area of them?

10 ASSISTANT GENERAL MANAGER BECHTOLD: I don't
11 get a whole lot of calls, but when we pull that data
12 from this, would be very interesting to see. The
13 unfortunate thing about the data is that they don't
14 drill down very small. They keep very general in
15 regards to, like, so, for instance, they might say they
16 work for a hotel. Well, that could be, you know, thirty
17 different jobs. Right? So, they're not very detailed
18 in regards to what they're offering, in regards to are
19 they are clerks, are they housekeeping.

20 BOARD MEMBER MARTIN: Management.

21 ASSISTANT GENERAL MANAGER BECHTOLD: Yeah, I
22 have no idea.

23 BOARD MEMBER MARTIN: Does it give you a level
24 of wage?

25 ASSISTANT GENERAL MANAGER BECHTOLD: Yes.

1 BOARD MEMBER MARTIN: Okay. At least, it's a
2 good start.

3 ASSISTANT GENERAL MANAGER BECHTOLD: Wage,
4 yes.

5 BOARD MEMBER LOPEZ: I think what would be
6 really instrumental would be to somehow get ahold of the
7 different EDCs in different counties. And they're —
8 they actually do offer the incentives, and they also
9 offer the earn to learn programs, where they actually
10 pay for half of their wages. But I think that's mostly
11 done through the EDC, Economic Development Corporations
12 of different counties. But, the WIBs actually have the
13 data as to who is really hiring. And what's, what's the
14 hottest — or who are getting hired the most. The WIBs
15 have that information.

16 ASSISTANT GENERAL MANAGER KANE: And the WIBs
17 is Workforce Investment Boards. Yeah. Yes. I just
18 wanted to make sure, because I see our — what's WIBs?

19 BOARD MEMBER DAVISON: Well, we're still
20 trying to figure out how we can get truck driving school
21 in here. Because we know we need truck drivers, and
22 we're trying to figure that out all over the state.

23 UNIDENTIFIED SPEAKER: Yeah, that's going to
24 be a tough nut to crack, for sure.

25 CHAIR MACOMBER: Can't bring a truck into the

1 institutions.

2 BOARD MEMBER DAVISON: How can we do that,
3 Jeff?

4 (Crosstalk)

5 CHAIR MACOMBER: I do think we're offering,
6 not the full breadth, but that piece has started at one
7 of the prisons as part of the DRP program.

8 ASSISTANT GENERAL MANAGER BECHTOLD: Will that
9 be for minimum—

10 BOARD MEMBER DAVISON: Here we go, bless you.

11 BOARD MEMBER DAVISON: Court reporters.

12 (Crosstalk)

13 BOARD MEMBER DAVISON: How can we —

14 ASSISTANT GENERAL MANAGER BECHTOLD: I'll make
15 that note on my next phone call with that individual.

16 BOARD MEMBER DAVISON: Okay, yeah. With DRP.

17 ASSISTANT GENERAL MANAGER BECHTOLD: He'll
18 know.

19 BOARD MEMBER DAVISON: Okay. There we go.

20 And one other question. And I know we're
21 running long. CalJOBS. That presentation that I had
22 with those folks, and we were looking at setting up a
23 contract? Is CalJOBS that you talked about, is that
24 part of what they're doing?

25 ASSISTANT GENERAL MANAGER BECHTOLD: That's

1 part of that contract, yes.

2 BOARD MEMBER DAVISON: Okay.

3 ASSISTANT GENERAL MANAGER BECHTOLD: We had to
4 hire an independent software company that designed that
5 for Mother Lode and the workforce investment board.

6 BOARD MEMBER DAVISON: Okay.

7 ASSISTANT GENERAL MANAGER BECHTOLD: Yeah.
8 That's our plan. And thank you for approving the budget
9 so now I can go do that.

10 BOARD MEMBER DAVISON: Okay.

11 BOARD MEMBER AGHAKHANIAN: With the exception
12 of SB 1089.

13 (Laughter)

14 ASSISTANT GENERAL MANAGER BECHTOLD: Yes, with
15 that exception.

16 CHAIR MACOMBER: Alright, well thank you,
17 Michele, and Rusty, much appreciated.

18 BOARD MEMBER MARTIN: And thank you, committee
19 members.

20 BOARD MEMBER DAVISON: We're trying.

21 CHAIR MACOMBER: Yes.

22 So, we'll now move on to the portion of the
23 meeting reserved for comment regarding items not on the
24 agenda. Under the Bagley-Keene Act, the Board cannot
25 act on items raised during public comment, but may

1 respond briefly to statements made or questions posed,
2 or may request clarification or refer the item to staff.

3 Would anyone like to make a comment or address
4 the board?

5 You're not public, you're a board member.

6 BOARD MEMBER AGHAKHANIAN: Oh, public, sorry.

7 CHAIR MACOMBER: But, Armond, would you like
8 to —

9 BOARD MEMBER AGHAKHANIAN: Everyone, it's good
10 to see all of you in person. Welcome, our new board
11 members, you know. But, you know, I think just based on
12 the energy I'm seeing right now and the direction we're
13 going, I'm very excited. Don't blame the amount of
14 coffee I had, because this is, this is nothing. So, I
15 drink like ten cups a day. So, don't tell that to my
16 wife. You know?

17 But I hope that, you know, we continue where
18 we are going, but also understand that, you know, right
19 now after the COVID and still what we are doing in
20 California are important what we do is. Because,
21 California is kind of in a very unique situation right
22 now, the state. I think, I think what we're doing, it's
23 important.

24 But I see the impact on a daily basis, you
25 know? I work at a school that has the highest formerly

1 incarcerated student population. And the numbers are
2 staggering. Twenty percent drop in enrollment now in
3 colleges. Some of them are almost at 25, 30. So, not
4 necessarily our institution, but overall.

5 And I think part of what we're seeing, also,
6 is that the struggle with the formerly incarcerated
7 students are they kind of fall through the cracks,
8 unfortunately. It becomes difficult. Because,
9 sometimes some of them are still on probation, some of
10 them still, you know, need to go find a job. But at the
11 same time, some of them also don't feel comfortable
12 enough to come back to even higher education. You ask —
13 you add COVID to admission, it makes it even awkward,
14 because they're not going back to your traditional
15 colleges anymore.

16 But even simpler things, digital divide is
17 huge. These students, some of them, don't qualify for
18 free laptops or wifi. So, the point I'm making is that,
19 I think — I'm very excited about the direction, and
20 welcome to all the new board members. I promise I'll
21 bring portos next time as part of the tradition of, you
22 know, welcoming new board members. But I want to thank
23 everyone for their commitment to what we are doing,
24 because we are making a difference in the lives of these
25 individuals. Thank you.

1 BOARD MEMBER DAVISON: Thank you.

2 CHAIR MACOMBER: On that note, this concludes
3 our Prison Industry Board Meeting. On June 28th, 2022.
4 Is there a motion to adjourn the meeting?

5 BOARD MEMBER MARTIN: I so motion.

6 BOARD MEMBER AGHAKHANIAN: Second.

7 CHAIR MACOMBER: All in favor?

8 ALL: Aye.

9 CHAIR MACOMBER: The motion carries, this
10 concludes our meeting at 12:38 P.M.. Thank you,
11 everybody.

12 (Whereupon the meeting was adjourned at 12:38
13 P.M.)

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