



CALPIA

REPORT TO THE LEGISLATURE FY 2018–19

★ *QUALITY PRODUCTS*

★ *CHANGED LIVES*

★ *A SAFER CALIFORNIA*



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Governor
State of California

California Prison Industry Board



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Secretary, California Department of
Corrections and Rehabilitation



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Governor Appointee



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Vice-Chair
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Statutory Appointee



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Statutory Appointee



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Governor Appointee



Michele Steeb
Governor Appointee



Mack Jenkins
Assembly Appointee



Scott A. Walker
Executive Officer

The Prison Industry Board's Fiscal Year 2018–19 Report to the Legislature regarding the California Prison Industry Authority (CALPIA) is submitted pursuant to Chapter 1549, Statutes of 1982, as embodied in paragraph 2808(k) of the California Penal Code, requiring the Board to report to the Legislature in writing on or before February 1 of each year regarding the following:

1. The financial activity and condition of each enterprise under its jurisdiction;
2. The plans of the board regarding any significant changes in existing operations;
3. The plans of the board regarding the development of new enterprises; and
4. A breakdown, by institution, of the number of prisoners at each institution, working in enterprises under the jurisdiction of the authority, said number to indicate the number of prisoners who are not working full-time.



Vera Salcedo, former CALPIA graduate, returned to the California Institution for Women where she encouraged graduates

Committed to Public Safety

THE PRISON INDUSTRY BOARD

The Prison Industry Board (Board) was established in 1983, pursuant to Chapter 1549, Statutes of 1982, to oversee the California Prison Industry Authority (CALPIA). The same legislation reconstituted the former California Correctional Industries Commission as today's CALPIA.

The Board oversees CALPIA operations, much like a corporate board of directors. It sets general policy for CALPIA, oversees the performance of existing CALPIA industries, determines which new industries shall be established, and appoints and monitors the performance of CALPIA's Chief Executive Officer/General Manager. The Board also serves as a public hearing body, ensuring CALPIA enterprises are both self-sufficient and do not have an adverse impact on the private sector. The Board actively solicits public input for the decisions it makes to expand existing, or develop new, prison industries.

On July 1, 2005, pursuant to the passage of Senate Bill 737, the California Department of Corrections and Rehabilitation (CDCR) underwent reorganization. Under the reorganization, CALPIA was to continue its existence within CDCR but as a separate entity, with the General Manager being the hiring authority for all CALPIA employees.

CALPIA STATUTORY OBJECTIVES¹

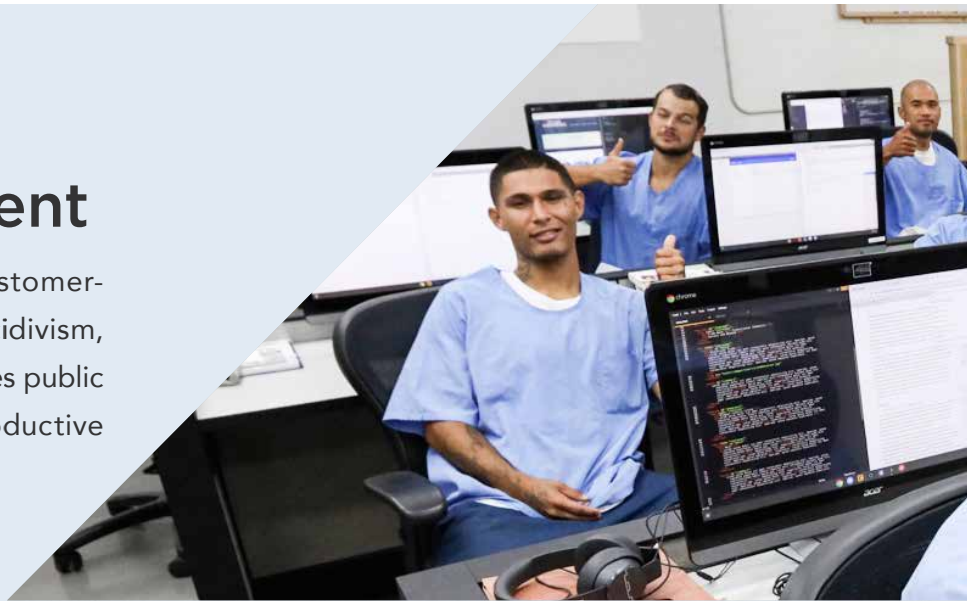
- To develop and operate industrial, agricultural and service enterprises that provide work opportunities for offenders under the jurisdiction of the CDCR and serve government agencies with products and services commensurate with their needs.
- To create and maintain working conditions within CALPIA enterprises as much as possible like those which prevail in private industry, to assure assigned offenders the opportunity to work productively to earn funds, and to acquire or improve effective work habits or occupational skills.
- To operate work programs for offenders that are self-supporting through the generation of sufficient funds from the sale of products and services to pay all its expenses, thereby avoiding the cost of alternative offender programming by CDCR. CALPIA receives no annual appropriation from the Legislature.

1. Penal Code Section 2800-2818

CALPIA

Mission Statement

CALPIA is a self-supporting, customer-focused business that reduces recidivism, increases prison safety, and enhances public safety by providing offenders productive work and training opportunities.



CALPIA PROGRAM GOAL

CALPIA's program goal supports CDCR's public safety mission by developing offenders who have job skills, good work habits, basic education and job support in the community, so that, when they are released, they never return to prison. CALPIA offenders receive industry-accredited certifications that employers value.

DOES CALPIA WORK?

Yes. Over a three-year period, beginning in Fiscal Year (FY) 2008-09, CALPIA participants returned to prison, on average, 26% to 38% less often than offenders released from the CDCR general population. The lower recidivism rate has saved the State General Fund millions of dollars of incarceration costs every year². Additionally, CALPIA's Career Technical Education (CTE) programs have some of the lowest recidivism rates in the country, with a cumulative return-to-prison rate of 7.13%³.

2. CALPIA Economic Impact Report FY 2012-13
www.calpia.ca.gov/news/publications/economic-impact-report-2012-13/

3. Prison Industry Board CTE Report FY 2007-2008 to FY 2010-2011
www.calpia.ca.gov/news/publications/cte-education-assessment-report-fy-2007-2008-to-2010-2011/

DOES CALPIA SAVE THE STATE MONEY?

Yes. CALPIA's offender programming saves the State General Fund millions of dollars annually through lower recidivism. It also saves CDCR millions of dollars by providing over 8,000 alternatively funded programming positions for offenders that CDCR does not have to fund.

To achieve its mission, CALPIA has established four main strategic and business goals:

1. Reduce Offender Recidivism
2. Maintain Self-Sufficiency
3. Develop High Performing Staff and Organization
4. Increase Customer Satisfaction





Above: CALPIA Code.7370 students at San Quentin State Prison

Below: CALPIA Coffee Roasting at Mule Creek State Prison

Correctional Industries

CALPIA manages more than 100 manufacturing, service and consumable enterprises in 35 CDCR institutions, with more than 8,000 offender assignments in manufacturing, agricultural, consumable, service and support functions, including warehouse and administration. CALPIA's administrative offices are in Folsom, California.

The goods and services provided by CALPIA's enterprises are sold predominately to departments of the State of California and other government entities. CDCR is CALPIA's largest customer. It accounted for \$157.6 million (62.7%) of all sales in FY 2018–19, \$155.0 million (64.3%) of all sales in FY 2017–18, \$138.2 million (59.2%) of all sales in FY 2016–17.

Other major State customers include the Department of Motor Vehicles, the Department of State Hospitals, the Department of Healthcare Services, the Department of Transportation, the Department of Forestry and Fire Protection, the California Highway Patrol, the Department of Veterans Affairs, the Department of General Services, the California Military Department, and the California Department of Parks and Recreation.



CALPIA manages more than 100 manufacturing, service and consumable enterprises in 35 CDCR institutions

Career Technical Education

CALPIA established its CTE program⁴ in 2006. The program began as a pre-apprenticeship program with instruction administered by journeyman instructors under contract from local trade labor unions, representing Carpentry, Construction Labor and Iron Working. When released, program graduates can obtain employment in their specific apprenticeship fields. CALPIA provides graduates with trade tools and pays their first year of union dues.

The CTE program grew to include Marine Technology and Facilities Maintenance. In 2014 CALPIA added a technology component to its CTE portfolio, with Autodesk Computer-Aided Design (AutoCAD) and Computer Coding (Code.7370). In 2016 and 2017, CALPIA added Culinary Arts Management and Pre-Apprentice Roofing. The Governor's Budget Act includes \$4.2 million in CDCR's base budget for rehabilitative program contracts with CALPIA.

To date, CALPIA's CTE program has been one of the most effective rehabilitation programs in the United States. Since 2006, more than 2,000 offenders have graduated with an accreditation from a CALPIA CTE program. In 2012, the Board approved an assessment report of CALPIA's CTE program, using offender data gathered from FYs 2007–08 through 2010–11. The report shows, cumulatively, that CALPIA's CTE graduates from that time period have an overall recidivism rate of 7.13%. The complete study is available on CALPIA's website at www.calpia.ca.gov. CALPIA currently has an independent third-party follow-up study in progress to update the recidivism data.

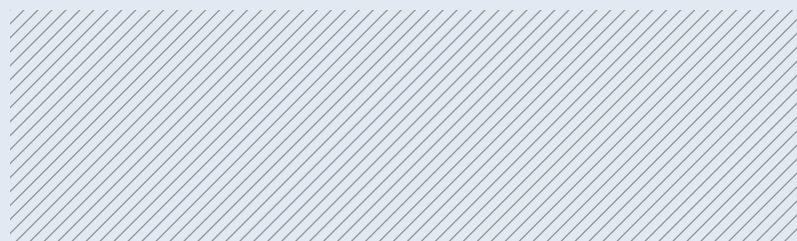
4. Under Penal Code Section 2805, CALPIA may initiate and develop new vocational training programs as well as assume jurisdiction over existing vocational training programs



California Institution for Women May 2019 graduation

THE CALPIA'S CTE PROGRAM OFFERS TRAINING IN THE FOLLOWING FIELDS:

1. Carpentry
2. Construction Labor
3. Iron Working
4. Commercial Diving
5. Facilities Maintenance
6. AutoCAD (Computer-Aided Design)
7. Code.7370 (Computer Coding)
8. Culinary
9. Roofing



Joint and Free Venture Programs

On behalf of CDCR, CALPIA manages California's Joint and Free Venture Programs. The Joint and Free Venture Programs were established in 1990 with the passage of Proposition 139, "The Prison Inmate Labor Initiative." The initiative created rehabilitative opportunities for offenders in both adult institutions and juvenile facilities to gain valuable work experience and job-skills training.

The Joint Venture Program (JVP) operates in California's adult correctional institutions and the Free Venture Program (FVP) operates in California's juvenile facilities. Offenders work for private companies or non-profits while serving their time and are able to earn comparable industry wages. The programs are available to businesses that plan to expand, open a new enterprise or division, return from offshore, or relocate to California from another state. Both programs prepare offenders for successful reintegration into the community. As of October 2012, local government correctional facilities could also participate in the JVP.

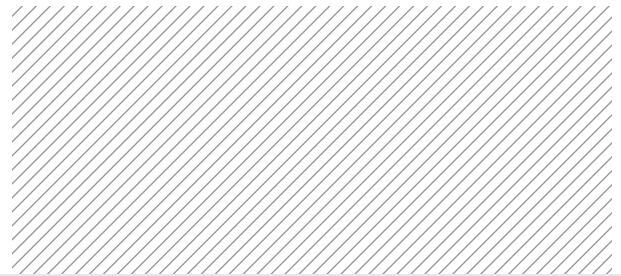
The wages an offender earns through the Joint and Free Venture Programs are subject to deductions for room and board, crime victim restitution, prisoner family support, trust account, and mandatory offender savings for



release. In addition, offender-employees pay federal and state taxes. State law mandates the deduction of 20% of the offenders' net wages goes to pay off restitution fines or in the event none is owed, to compensate programs that benefit victims of crimes. The JVP disbursed more than \$116,621.72 for crime victim restitution in FY 2018-19.



Offenders giving back to crime victim's groups through CALPIA's Joint Venture Program at San Quentin State Prison



Future Measurement of Recidivism

In 2017, CALPIA began collecting return-to-custody data of CALPIA participants. CALPIA is utilizing the services of an independent research university to compile and assess the data. This measurement will provide both CALPIA

and the public the most accurate evaluation of the recidivism rate among participants of both traditional CALPIA correctional industry programs and CTE programs.

Industry Employment Program

The Industry Employment Program (IEP) enhances the ability of offenders to obtain meaningful jobs upon release. IEP helps offenders successfully transition from prison to the community and the workforce. The program is a vital part of CALPIA's efforts to reduce recidivism and contribute to safer communities.

The Industry Employment Program (IEP) enhances the ability of offenders to obtain meaningful jobs upon release



Through IEP, CALPIA offender-workers are evaluated for improvement in job skills, education, experience and work habits. IEP provides offenders access to nationally accredited certifications, State apprenticeship certifications, and internal skill proficiency certificates. All CALPIA offenders must earn a high school diploma or equivalent within two years of starting with CALPIA to continue participating in CALPIA programs.



Folsom Women's Facility Graduation, June 2019

IEP provides transition-to-employment services and information. An appointment at the Department of Motor Vehicles is arranged to provide valid identification within a week after release. In FY 2017-18, IEP began applying for and acquiring duplicate birth certificates for released offenders

born in California. Information and request forms are provided for a Social Security card, out-of-state birth certificate, child support and veteran's benefits. IEP also provides offenders and their families access to a statewide community resource guide to help them successfully transition home.



California Men's Colony Apprenticeship Recognition

State Apprenticeships

For the first time in California prisons, offenders can achieve full apprenticeships while working for CALPIA. Through a partnership with the California Department of Industrial Relations, CALPIA has established an apprenticeship system within CDCR institutions.

The apprenticeship certification qualifies offenders for meaningful employment upon released. As of December 31, 2018, apprenticeship opportunities are made available at every CALPIA Enterprise.

“Expanding apprenticeships to skilled workers inside our correctional facilities provides hope and opportunities to offenders when they leave prison. We want the men and women who return to their communities to be successful, which in turn reduces recidivism and increases public safety.”

— CDCR Secretary Ralph Diaz



CDCR Secretary and Prison Industry Board
Chair Member, Ralph Diaz

Accredited Certifications

CALPIA invests in curriculum for offenders, offering more than 134 nationally recognized accredited certifications, such as AutoCAD, computer coding, dental technology, food-handling, laundry, agriculture, welding, metal-stamping, industrial safety and health, electrical systems, mechanical systems, and maintenance. CALPIA offenders may also earn certificates of proficiency in occupational disciplines to validate skills and abilities obtained during their time employed by CALPIA.

In FY 2018-19, 466 CALPIA participants received a certificate of proficiency and/or Standard Occupational Code Proficiency certification. In FY 2018–19, 11,925 participants successfully completed an accredited certification program — a 55% overall increase from FY 2017–18. IEP’s enrollment of all CALPIA offenders into TPC Training Systems course 109.1 Industrial Safety and Health is job required.

AMERICAN BOARD OF OPTICIANRY

- Optician

AMERICAN WELDING SOCIETY

- Gas Metal Arc Welding (GMAW-1Mig)
- Gas Tungsten Arc Welding (GTAW-1Tig)
- Gas Tungsten Arc Welding (GTAW-2)
- Gas Tungsten Arc Welding (GTAW-3)

ASSOCIATION FOR LINEN MANAGEMENT

- Certified Linen Technician
- Certified Washroom Technician
- Certified Laundry Linen Manager

CA DEPARTMENT OF FOOD & AGRICULTURE

- Pasteurizer License
- Sampler/Weigher License

CAREER TECHNICAL 7370 COMPUTER CODING

- 7370 Computer Coding Track 1
- 7370 Computer Coding Track 2
- 7370 Computer Coding Track 3
- 7370 Computer Design Track

CAREER TECHNICAL AUTOCAD

- AutoCAD Drafting
- Inventor
- Revit

CAREER TECHNICAL CARPENTRY

- Core-Classroom Curriculum

CAREER TECHNICAL CULINARY

- Intro to Culinary Arts/Culinary Sanitation and Safety
- Culinary Customer Service
- Food Theory and Preparation/Financial Management
- Quantity Food Production/Purchasing

CAREER TECHNICAL IRONWORKER

- Multi-Craft Core Curriculum

CAREER TECHNICAL LABORERS

- Lead Worker/Mentor Training

CAREER TECHNICAL DIVING

- Commercial Welder Course Program
- Dive Top Side Tender Course Program
- Commercial Diver/Commercial Dive Inspection

ELECTRONICS TECHNICIANS ASSOCIATION

- Customer Service Specialist
- Certified Electronics Technician
- Journeyman (Industrial)

Accredited Certifications continued...

CAREER TECHNICAL ROOFING

- Multi-Craft Core Curriculum

ELECTRONICS TECHNICIANS ASSOCIATION

- Customer Service Specialist
- Certified Electronics Technician
- Journeyman (Industrial)

ESCO INSTITUTE

- HVAC Technician certification (608 Exam)

LIBRARY OF CONGRESS – BRAILLE

- Literary Transcribing
- Literary Proofreading
- Mathematics Transcribing
- Mathematics Proofreading
- Music Transcribing

NATIONAL BRAILLE ASSOCIATION

- Braille Formats
- Textbook Formatting

NATIONAL INSTITUTE OF METALWORKING SKILLS

- Machining, Level I
- Metal Forming, Level I
- Metal Stamping, Level II

NATIONAL RESTAURANT ASSOCIATION

- ServSafe Essentials
- ServSafe Food Handler

**NORTH AMERICAN TECHNICIAN EXCELLENCE
INSTALLATION AND SERVICE FOR:**

- Air Conditioning
- Air Distribution
- Heat Pumps
- Gas Heat
- Oil Heat

OVERTON SAFETY TRAINING, INC.

- Warehouse/Pallet Jack Forklift
- Construction Forklift

PRINTING INDUSTRIES OF AMERICA

- Sheet-fed Offset Press
- Web Offset Press
- Bindery
- Pre-Press

PRODUCTIVITY TRAINING CORPORATION

- Dental Technician

SPECIALTY COFFEE ASSOCIATION

- Barista Skills – Foundation Level
- Barista Skills – Intermediate Level
- Introduction to Coffee
- Roasting – Foundation Level
- Roasting – Intermediate Level

STILES MACHINERY INC.

- Intermediate Weeke Machining

TCP TRAINING SYSTEMS

**TYPE: FUNDAMENTALS/CORE COMPETENCIES
(SERIES 100)**

- 101 Reading Blueprints
- 102 Reading Schematics and Symbols
- 103 Mathematics in the Plant
- 104 Making Measurements
- 105 Metals in the Plant
- 106 Nonmetals in the Plant
- 107 Hand Tools
- 108 Portable Power Tools
- 109.1 Industrial Safety and Health
- 110 Troubleshooting Skills

**TYPE: ELECTRICAL SYSTEMS
(SERIES 200)**

- 201 Basic Electricity and Electronics
- 202 Batteries and DC Circuits
- 203 Transformers and AC Circuits
- 204.1 Electrical Measuring Instruments
- 205.1 Electrical Safety and Protection
- 206 DC Equipment and Controls
- 207 Single Phase Motors
- 208 Three Phase Systems
- 209 AC Control Equipment
- 210 Electrical Troubleshooting
- 211 Electrical Safety – Understanding NFPA 70E

**TYPE: MECHANICAL SYSTEM
(SERIES 300)**

- 301 Basic Mechanics
- 302 Lubricants and Lubrication
- 303.1 Power Transmission Equipment
- 304 Bearings
- 305 Pumps
- 306 Piping Systems
- 307 Basic Hydraulics
- 308 Hydraulic Troubleshooting
- 309 Basic Pneumatics
- 310 Pneumatic Troubleshooting

**TYPE: PACKAGING MACHINERY
(SERIES 310)**

- 311 Introduction to Packaging
- 312 Packaging Machinery
- 313 Casing Machinery

**TYPE: MACHINE SHOP PRACTICES
(SERIES 320)**

- 315 Machine Shop Practice
- 316 Machine Shop Turning Operations
- 317 Machine Shop Shaping Operations
- 323 Machine Shop Job Analysis
- 324 Lathe-Turning Work Between Centers
- 325 Lathe-Machining Work in a Chuck
- 326 Basic Milling Practices
- 327 Indexed Milling Procedures
- 328 Multiple-Machine Procedures

**TYPE: MECHANICAL MAINTENANCE
APPLICATIONS
(SERIES 340)**

- 341 Mechanical Drive Maintenance
- 342 Mechanical and Fluid Drive Systems
- 343 Bearing and Shaft Seal Maintenance
- 344 Pump Installation and Maintenance
- 345 Maintenance Pipefitting
- 346 Tubing and Hose System Maintenance
- 347 Valve Maintenance & Piping
System Protection

**TYPE: BUILDING AND GROUNDS
(SERIES 360)**

- 361 Introduction to Carpentry
- 362 Constructing the Building Shell
- 363 Finishing the Building Interior
- 364 Structural Painting
- 366 Flat Roof Maintenance
- 367 Plumbing Systems Maintenance
- 375 Landscaping Maintenance

**TYPE: WELDING
(SERIES 420)**

- 416 Blueprint Reading for Welders
- 417 Welding Principles
- 418 Oxyfuel Operations
- 419 Arc Welding Operations

**TYPE: CUSTODIAL MAINTENANCE
(SERIES 450)**

- 451 Cleaning Chemicals
- 452 Floors and Floor Care Equipment
- 453 Maintaining Floors and Other Surfaces
- 454 Restroom Care
- 455 Carpet and Upholstery Care



CALPIA offenders may also earn certificates of proficiency in occupational disciplines to validate skills and abilities obtained during their time employed by CALPIA.

CALPIA and Prison to Employment Partnership

In FY 2018-2019, CALPIA became an active partner with CDCR and the California Workforce Development Board on the Prison to Employment Initiative which was created with the passage of Senate Bill 866. Prison to Employment also referred to as P2E, increases employment opportunities in construction, and other trades for offenders upon release. P2E utilizes regional partnerships and coordinates support through employment and education along with related services for formerly justice-involved individuals.

PRE-RELEASE CONSTRUCTION TRADES CERTIFICATE PROGRAM

As part of the Prison to Employment Initiative, CALPIA continues to partner with CDCR, the California Workforce Development Board, the State Building Construction Trades Council, and local unions to strengthen the state's pre-release construction trades certificate program in California prisons.

Both CDCR and CALPIA oversee their own vocational or CTE programs associated with each trade and both utilize Multi-Craft Core Curriculum (MC3) in both agencies' construction trades programs.

MC3 is a nationally recognized, standardized 120-hour construction overview course, designed to help candidates choose and succeed in apprenticeship programs that are appropriate for them. Candidates who successfully complete MC3 and the appropriate pre-apprentice program are then able to accumulate on-the-job training hours that position them competitively to enter into apprenticeships upon release.

Below: CDCR Undersecretary of Operations Kathleen Allison congratulates graduates at the Folsom Women's Facility



In FY 2018–2019, CALPIA became an active partner with CDCR and the California Workforce Development Board on the Prison to Employment Initiative which was created with the passage of Senate Bill 866



Above: Participants from the Employment Retention: Principles and Practice training

Bottom: Participants work through reentry scenarios at the NIC training

IMPROVING THE PATH OF REENTRY AND WORKFORCE DEVELOPMENT

In June 2019, CALPIA partnered with the National Institute of Corrections (NIC) to improve reentry and workforce development outcomes. Along with CALPIA, representatives from CDCR, parole, probation, and sheriff's departments participated in a series of Evidence-Based Workforce Development training workshops. The training, titled "Employment Retention: Principles and Practice" provided the introductory concepts and skills for increasing employment retention rates among formerly incarcerated individuals.





Training and Highlights

TATTOO REMOVAL PROGRAM

In 2018, CALPIA executed a contract to start a tattoo removal program at the Folsom Women's Facility in Folsom and Custody to Community Transition Reentry Program in Sacramento. Highly visible tattoos (face, neck, and hands) often present a barrier to employment and effective rehabilitation. Women who have participated in the program shared how having their tattoos removed not only resulted in a physical change, but a mental and emotional change. It removed daily reminders of past choices and assisted them in creating a fresh start. Many of the tattoos removed in the program are from gang lifestyles and sexual trafficking. CALPIA will expand the program to the California Institution for Women and Central California Women's Facility.



Tattoo Removal program at Folsom Women's Facility

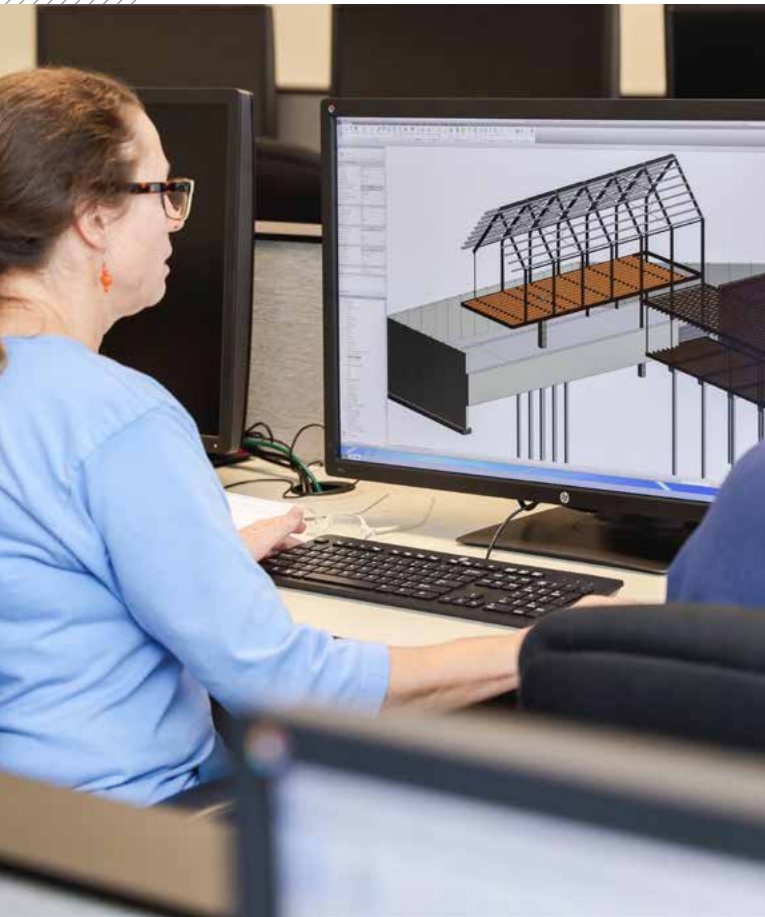


Offender breaks barriers to employment by removing tattoos

LAUNDRY, JOINT VENTURE PROGRAM

In FY 2018–19, an agreement was established for the first CALPIA Customer Model Joint Venture Program; Customer Model Laundry. This Joint Venture Program offers laundry services of washing, drying, ironing, folding, sorting, and bundling/bagging provided linens at the California State Prison, Solano.

The agreement has been successful in helping the company process its growing laundry service business while providing offenders with real-life job skills that can be used in the private sector once released. Offenders earn industry-comparable wages in the Joint Venture Programs. CALPIA's Laundry programs provide certifications from the Association for Linen Management.



CODE.7370

Code.7370, or Computer Coding, is an 18-month, technology-based training program that operates under the supervision of CALPIA instructors, technology business professionals and volunteers with the San Francisco-based nonprofit organization The Last Mile. Offenders learn basic computer skills, coding instruction, and website and application design. The Code.7370 program curriculum utilizes proprietary program architecture to simulate a live coding environment without Internet access. In 2014, CALPIA's Code.7370 program started at San Quentin State Prison.

Left: AutoCAD at Folsom Women's Facility

Below: Code.7370 at San Quentin State Prison

AUTOCAD

CALPIA's AutoCAD program curriculum includes instruction in CAD, Inventor and Revit. This three- to 12-month technology-based training program is the first of its kind in the nation, since it is the only Autodesk Authorized Training Center (ATC) at a state prison. The AutoCAD program based at the Folsom Women's Facility provides industry-accredited certifications. The certifications earned by graduates help them obtain jobs in architectural, mechanical and engineering fields.



CULINARY

The Culinary Arts Management program started at the Folsom Women's Facility in FY 2016–17. CALPIA partners with Cosumnes River College, and graduates earn up to 13 college credits. This six to 12-month program offers courses in Introduction to Culinary Arts Management, Culinary Sanitation and Safety, Quantity Food Production, Food Theory and Preparation, and Culinary Customer Service.



Top: Folsom Women's Facility Culinary July 2019 Graduation

Left: CALPIA Folsom Women's Facility Culinary students in training, preparing a meal

Right: CALPIA Culinary program at Folsom Women's Facility offers up to 13 college credits to those enrolled in the program

PRE-APPRENTICE ROOFING

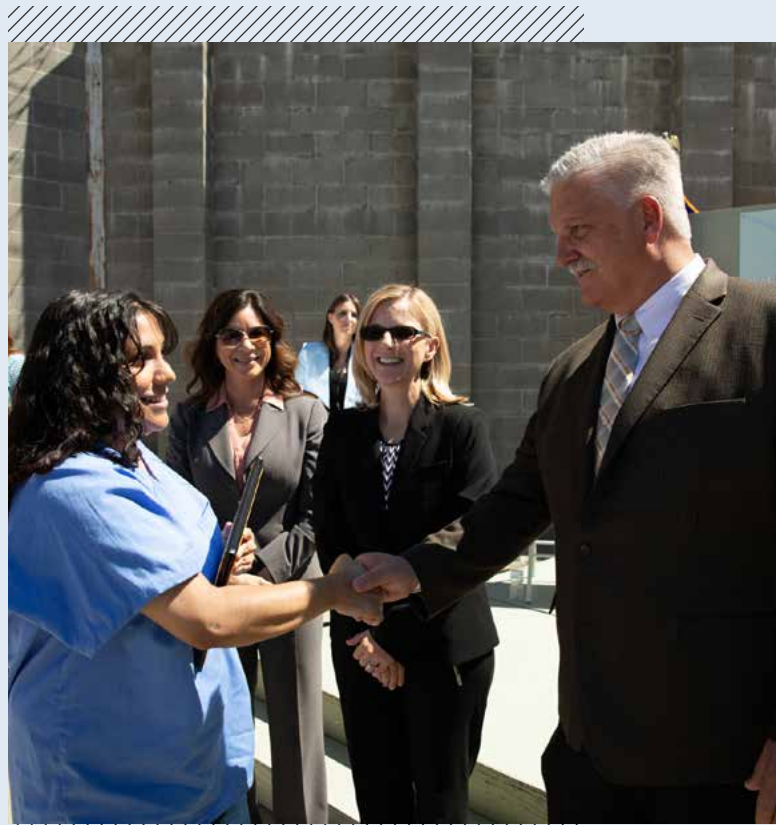
This three-month training program operates under the supervision of CALPIA instructors and journeymen affiliated with the United Union of Roofers, Waterproofers and Allied Workers. Offenders will learn principles of general safety, roofing repair, and familiarity with tools and materials of the trade. Graduates of the program may ultimately obtain employment with the union upon release. This program is offered at Folsom State Prison.

PRE-APPRENTICE CONSTRUCTION LABOR

This six-month offender training program works under the supervision of journeyman professionals from the Northern and Southern California Construction and General Laborers Unions. Pre-Apprentice Construction Labor graduates earn accredited certifications and are eligible for placement in full-scale apprenticeship programs upon release. This program is operating at Folsom State Prison, the Folsom Women’s Facility, the California Institution for Women, San Quentin State Prison, the California Institution for Men, the Central California Women’s Facility, and the O.H. Close Youth Correctional Facility.

Top: CALPIA’s General Manager Scott Walker congratulates graduate

Bottom: Offender learns job skills through the Modular Building Enterprise at Folsom State Prison





PRE-APPRENTICE CARPENTRY

This six-month training program operates under the supervision of journeyman professionals working with the Northern and Southern California Carpenters Unions. Offenders learn blueprint reading, framing and general carpentry skills. After completion of training, graduates are eligible for placement in full-scale apprenticeship programs. This program is operating at the Folsom Women's Facility, the California Institution for Women, Folsom State Prison and the Central California Women's Facility.

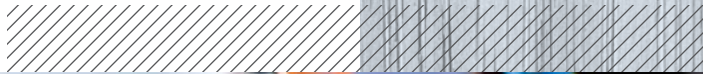
PRE-APPRENTICE IRON WORKER

CALPIA's Iron Worker program is a six-month apprentice training program under the supervision of journey-level professionals working with the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union. The union instructors provide training in a diverse curriculum which includes everything from welding and metal work to blueprint reading. Graduates are eligible for placement to continue their full-scale apprenticeship programs until completion. The Pre-Apprentice Iron Worker program is operating at Folsom State Prison.

POST-RELEASE EMPLOYMENT TRAINING

In May 2019, CALPIA partnered with The United States Department of Justice, National Institute of Corrections to provide the first in the series of Evidence-Based Workforce Development training in Sacramento. The training included criminal justice practitioners and stakeholders looking at improving opportunities for post release employment. Representatives from parole, probation, local sheriffs, local workforce development agencies and community-based programs came together for the training which included the introductory concepts and skills for increasing employment retention rates for formally incarcerated individuals.

Under the supervision of journeymen professionals, offenders learn carpentry and construction skills through CALPIA's Pre-Apprentice programs





CALPIA'S MARINE TECHNOLOGY TRAINING CENTER MAKES A SPLASH IN CHINO!

In December 2018, former graduates of the Commercial Dive Program at the California Institution for Men returned to mark a memorable event. The newly remodeled Marine Technology Training Center at the California Institution for Men was rededicated to Leonard Greenstone. Greenstone founded the program and supported the prison dive school for over 50 years until his passing in 2012. In partnership with CDCR and the Association of Diving Contractors International, the Commercial Dive program is one of the most successful rehabilitation programs in the country. The Commercial Dive program provides training related to the offshore oil industry and other types of marine-related work. Former offenders are employed in well-paying jobs in commercial diving, underwater construction, dam repair, welding, and underwater salvage and recovery.



Top: The Commercial Dive program provides training related to the offshore oil industry and other types of marine related work

Middle: Students at the California Institution for Men practice diving skills

Bottom: CALPIA commercial diving student



AUTOCAD PROGRAM FIRST LAUNCHED IN FORMER SECURITY HOUSING UNIT

In August 2018, CALPIA recognized the first class of graduates from its AutoCAD program at Pelican Bay State Prison (PBSP). In December 2017, the AutoCAD program started in Facility D of Pelican Bay State Prison, the former Security Housing Unit (SHU) which contained 480 cells. The 2017-18 California State Budget included resources to convert those vacant SHU cells. Offenders continue to graduate from the program with AutoCAD certifications which will help them obtain jobs upon release in architectural, mechanical, or engineering fields.



Top: AutoCAD students practice their newly acquired skills at PBSP

Middle: PBSP AutoCAD and Code.7370 graduation participants

Bottom: AutoCAD is a 6–12 months technology-based training program



Financial Activity of CALPIA

FINANCIAL ACTIVITY

In February 2020, accounting firm Macias Gini & O’Connell LLP (MGO) is expected to issue its audit report of CALPIA’s financial statements for FY 2018-19. The FY 2018-19 unaudited financial data does not include CALPIA’s year-end adjustments for Other Post-Employment Benefits other than pensions (OPEB), pension liability, and Senate Bill 84, pending final release from the State Controller’s Office (SCO).

FINANCIAL OVERVIEW

CALPIA recorded a slight loss in net position of \$0.7 million in FY 2018–19 and a gain in net position of \$9.2 million in FY 2017–18. These numbers do not include long-term liabilities such as pension, OPEB contributions, personal leave, and workers compensation.

In FY 2018-19, CALPIA revenues increased by \$10.1 million, or 4.2%, from FY 2017-18 to \$251.3 million. Gross profit decreased by \$2.9 million to \$54.1 million, due to an increase in cost of goods sold. In FY 2017-18 a \$4.0 million transfer was made to California Department of Corrections and Rehabilitation Inmate Construction Revolving Fund.

The FY 2019-20 CALPIA Annual Plan projects revenues of \$264.6 million, an increase of \$13.3 million from FY 2018-19. The budget also anticipates a net position gain of \$2.9 million.





PRO RATA PAYMENTS TO THE STATE

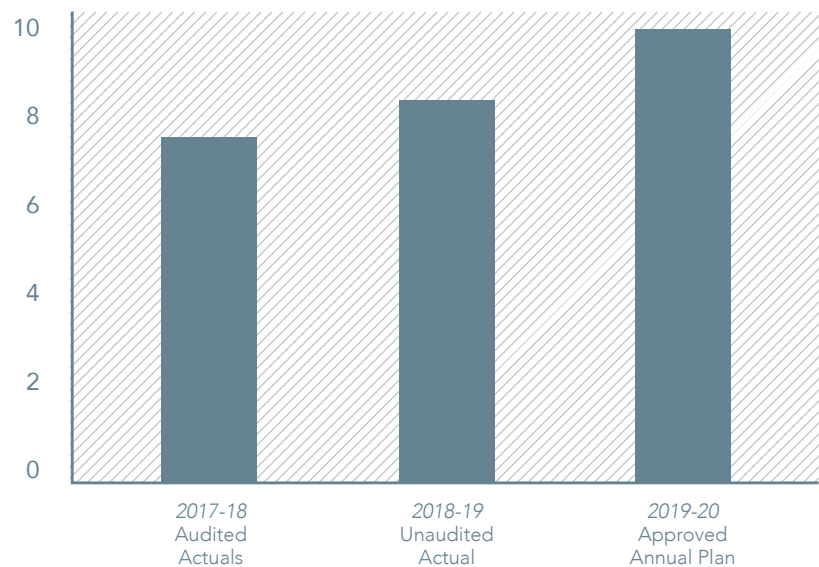
CALPIA receives no Budget Act appropriation. However, CALPIA must pay the State a pro rata share of overall costs of State services (Legislature, Department of Finance, Controller, Treasurer, etc.). CALPIA's FY 2018-19 actual pro rata payment was \$8.1 million and is anticipated to be \$9.6 million for FY 2019-20, an increase of \$1.5 million.

Left: Prison Industry Board members at California Men's Colony

Opposite Page: Prison Industry Board members

Pro Rata Payments to the State

by Fiscal Year (in thousands)



Source: CALPIA Financial Plan (page 39)

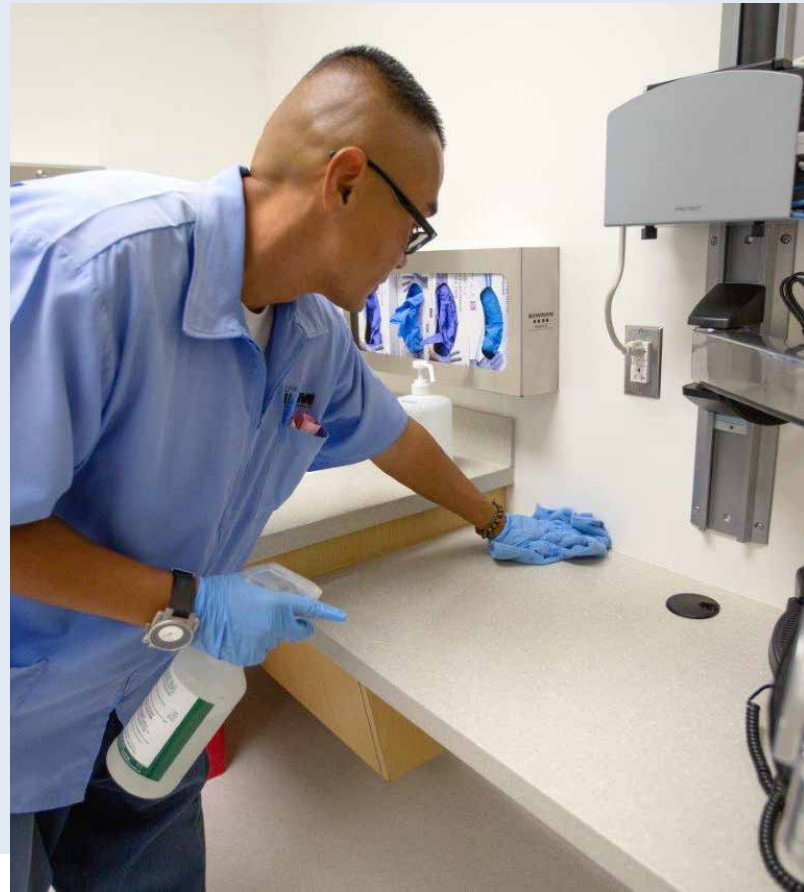
OFFENDER POSITIONS

For FY 2019-20, CALPIA's Annual Plan includes 7,802 offender positions.

CIVIL SERVICE POSITIONS

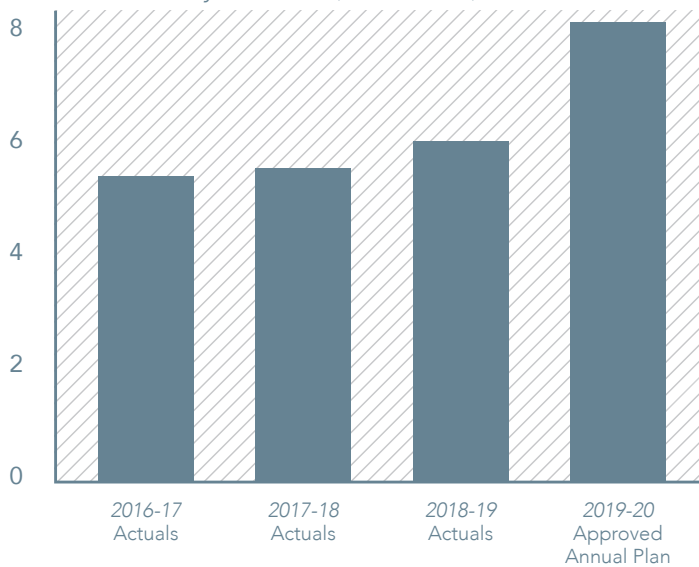
In FY 2019-20, CALPIA anticipates having 1,302 civil service positions, a 2.6% increase from the previous year. The increase is due to the expansion of CALPIA programs.

Right: Offenders earn certifications in CALPIA's Healthcare Facilities Maintenance program (R.J. Donovan Correctional Facility)



Offender Positions

by Fiscal Year (in thousands)



Source: Offender Positions by Locations (page 43)

For FY 2019-20, CALPIA's Annual Plan includes 7,802 offender positions.

CALPIA remains optimistic about the future of successful business enterprises... working in partnership with satisfied customers that create the best opportunities for the rehabilitation of offender workers

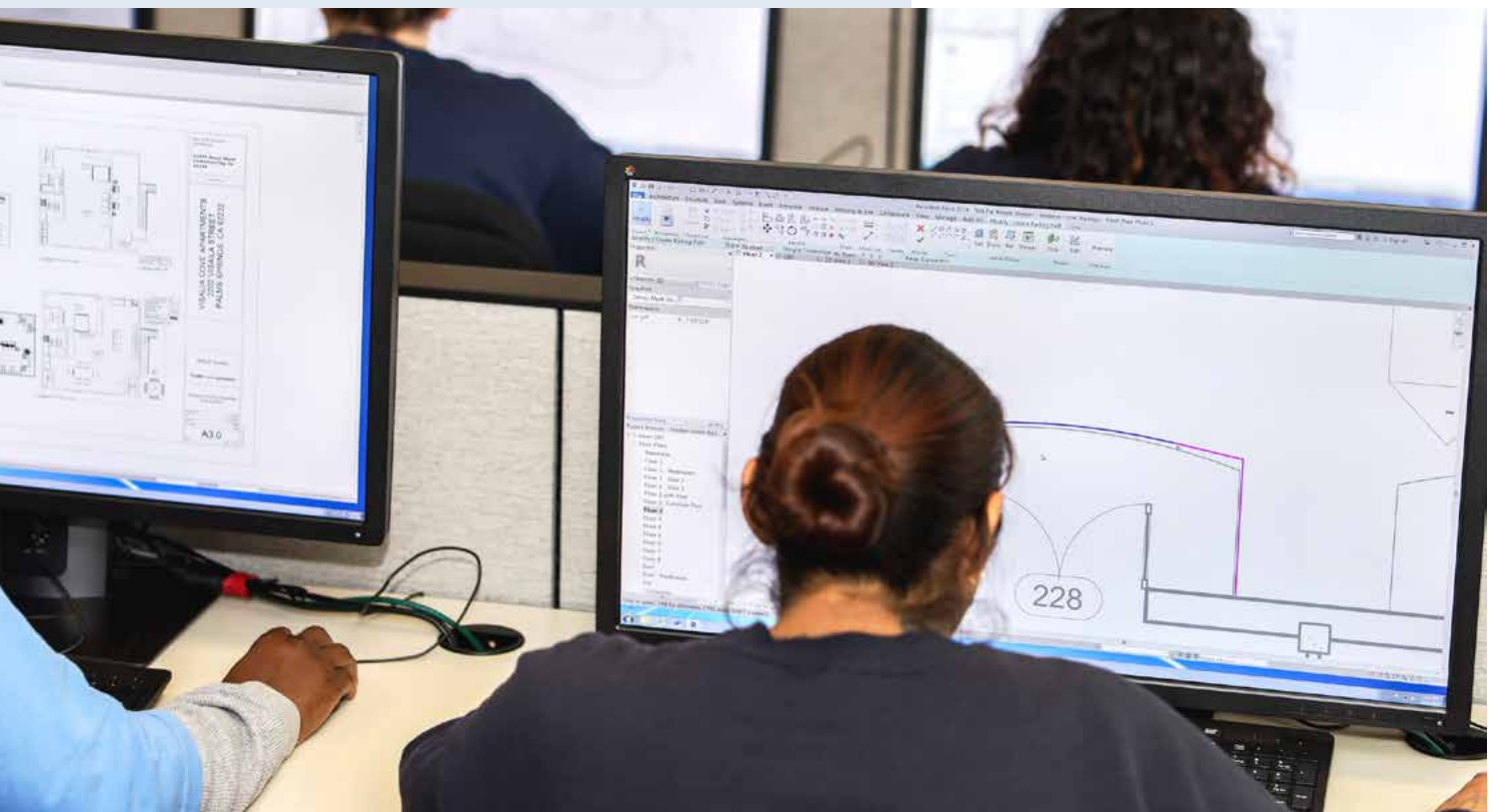
STATEMENT OF NET POSITION

CALPIA's Statement of Net Position at June 30, 2019, reflects current assets of \$95.4 million, which is approximately five times greater than current liabilities of \$19.0 million, and approximately 0.2 times the amount of total liabilities of \$399.6 million.

CALPIA remains optimistic about the future of successful business enterprises, supported by a dedicated and qualified workforce, working in partnership with satisfied customers that create the best opportunities for the rehabilitation of offender workers.



Below: Women work on Autodesk Revit at Folsom Women's Facility



Successful Outcomes

CALPIA wants the men and women in its programs to be successful and never return to prison. CALPIA ensures offenders have job skills, good work habits, basic education, and job support when they are released. Offenders receive

industry-accredited certifications that translate to employment. Thousands of offenders have received training through CALPIA, and those men and women now have jobs in the community. Here are some of the success stories.



MICHELE PAYNE

Michele Payne worked in CALPIA enterprises and says the skills she learned helped her with her career as a Reentry Specialist at the Inland Empire United Way. She says having that job in prison gave her purpose. Michele's boss says it's a win/win for their organization as Michele is a valuable employee who now helps others with similar backgrounds.

"CALPIA gave me the confidence to get up every day, try my hardest, and do my best. I was able to improve my skills and use that same confidence to promote my career while working on getting my master's degree at California State University, San Bernardino."

— Michele Payne

CLARISSA ALLEN

Clarissa Allen graduated from CALPIA's AutoCAD (Computer-Aided Design) program at the Folsom Women's Facility which houses the first Authorized Autodesk Training Center at a state prison. Clarissa now works as an AutoCAD drafter for Infinity Energy.

"CALPIA gave me the knowledge to start a new career and be successful. I utilize my skills daily and now I am an AutoCAD drafter. My kids say they are proud of me and it feels good to have this second chance."

— Clarissa Allen



"CALPIA was there for me like they said they would be when I first joined the program in prison. All I had to do was come out and produce. When I got out of prison, I didn't have to spend money on tools or union dues because CALPIA provided these to me to help get a fresh start in the community. And for this I am very grateful."

— Steven Smith



STEVEN SMITH

Steven Smith graduated from CALPIA's Pre-Apprentice Construction Labor program at Folsom State Prison. He was hired in Northern California by Genesis One Group, Inc. and is part of the Laborers Union Local 185. Currently, he installs solar systems throughout the Sacramento area.



**SEE THE FULL STORY ON
CALPIA'S YOUTUBE PAGE**

Significant Impacts

OFFENDER VACANCIES

CALPIA continues to experience vacancies in its training programs due to the continuing shift of the CDCR adult offender population at institutions, as well as recent voter propositions. CALPIA works closely with CDCR to ensure any potential impacts to CALPIA enterprises are minimized and that training and employment opportunities are maximized. In FY 2018–19, the average monthly vacancy for CALPIA offender positions was 2,314 positions statewide, or 28.6%.

SENATE BILL NO. 84: STATE EMPLOYER CONTRIBUTION SUPPLEMENTAL PAYMENT

Pursuant to Chapter 50, Statutes of 2017 (SB 84), the Legislature approved a one-time additional pension contribution payment of \$6.0 billion by the State to CALPERS in FY 2018-19 from the Surplus Money Investment Fund (SMIF) to help lower and stabilize the State's pension contributions. The Department of Finance has determined a repayment schedule for all state funds responsible for retirement contributions. CALPIA's portion of the repayment was determined to be a total of \$6.4 million. The first payment was in FY 2018-19 totaling \$0.874 million (principal and interest). CALPIA will continue with annual payments over a seven-year period, with the final payment being made in FY 2024-25.

CASH FOR DESIGNATED LIABILITIES

CALPIA has maintained cash levels to meet liabilities including, OPEB, NPL, accrued employee vacation, and workers compensation liabilities. However, beginning FY 2017–18, CALPIA no longer sets aside funds for OPEB or NPL unfunded liabilities, as instructed by the Department of Finance, which has opined that CALPIA is not obligated to fund these specific liabilities.

CALPIA DOES NOT SET STATE EMPLOYEE WAGES

For FY 2017–18, the California Department of Human Resources (CalHR) approved a 4.0% General Salary Increase (GSI) for excluded, non-statutory exempt employees. Bargaining Units 9, 2, and 10 received a GSI of 2.0%, 5.0%, and 2.0%, respectively. Service Employees International Union (SEIU) and International Union of Operating Engineers (IUOE) members received a GSI of 4.0%, except for Bargaining Unit 12, which received a 3.5% increase. The combined estimated increase in CALPIA's salary expense is \$2.4 million.





Significant Future Changes

RETURN OF ADULT MEDI-CAL OPTICAL BENEFITS

CALPIA continues the process of establishing a new optical Manufacturing Enterprise at the Central California Women's Facility. The new lab will accommodate anticipated growth in the optical workload due to the restoration of the State's Medi-Cal optional eyewear benefits program in January 2020. CALPIA currently operates two optical laboratories at Valley State Prison and California State Prison, Solano. Those two labs produce glasses for Medi-Cal participants that include children or adults who are either pregnant or reside in skilled nursing facilities. Upgrades at the existing optical facilities have continued to increase efficiency and expand capacity. It is anticipated that the two existing facilities can utilize expanded operational hours to meet initial demand. Construction on the new optical lab is scheduled to begin in late 2020 with an estimated completion in Spring 2021.

EXPANSION OF TECH PROGRAMS

CALPIA continues to expand technology programs at additional prisons. At its June 28, 2018 meeting, the Board approved an additional \$2.0 million to invest in CTE program expansions, for a total of \$14.6 million. The new program expansions include Code.7370 and AutoCAD. CALPIA partners with CDCR, The Last Mile, and software provider Autodesk to make great strides in inserting technology into offender rehabilitative programs. Expanding technology programs is an integral part of the State's efforts to bring offenders into the 21st century prior to their release. CALPIA continues to expand Code.7370 and AutoCAD at various institutions, providing more real-world technology training to offenders.



CALPIA's Optical Lab at California State Prison, Solano

Enterprise Improvements

OPTICAL AUTOMATION

CALPIA has moved toward providing automation equipment in the Optical enterprise. The Optical lab at the California State Prison-Solano recently installed a fully automated lens surfacing solution. Offenders are receiving training on day-to-day maintenance and operation of this new equipment, which is available at major optical labs all over the world. The Optical lab at Valley State Prison also will have fully automated equipment solutions in lens surfacing and finishing, installations were completed in 2019. Automation is rapidly growing in optical eyewear manufacturing operations. Moving toward automation will greatly help offenders obtain post-release employment. Offenders in the Optical lab will learn not only conventional methods, but the latest and most prevalent technologies of automation, helping them build a well-rounded resume.

HEALTHCARE FACILITIES MAINTENANCE

CALPIA's Healthcare Facilities Maintenance (HFM) program continues to expand as more healthcare space and projects have been added. The HFM program offers more than 1,200 offender training positions. Participants in the HFM program clean the facilities at a hospital level while gaining transferable job skills. The HFM program is growing to support CDCR's Health Care Facility Improvement Projects, an endeavor making needed renovations and additions to existing healthcare facilities within the institutions. CALPIA also provides ongoing training and auditing services for the California Health Care Facility in Stockton. This includes training of civil service custodians and 20 offenders on HFM-approved policies and procedures to meet the International Organization for Standardization (ISO) standards.

WATER CONSERVATION FOR LAUNDRY



CALPIA's Laundry enterprise continues to operate more efficiently and reduce its environmental impact. CALPIA committed to new laundry water reclamation projects at five CDCR institutions which includes California Men's Colony, Richard J. Donovan Correctional Facility, Wasco State Prison, California State Prison-Corcoran, and California State Prison-Lancaster. The new systems reclaim approximately 60%–65%, or more than 35 million gallons, of wastewater annually produced by CALPIA laundry operations. Three locations are complete and fully operational including Richard J. Donovan Correctional Facility, Wasco State Prison, and California State Prison-Corcoran.



CALPIA's Laundry enterprise at California State Prison Los Angeles County

New Products

METAL PRODUCTS

CALPIA Metal Products continued to see strong overall sales revenue in FY 2018–19. Metal volume was driven by CDCR’s ongoing Healthcare Facility Improvement Project, along with the huge output of vehicle conversions moving through CALPIA’s Vehicle Operating Unit located at California State Prison, Solano. Nearly 300 inmate transport vans, SUV’s, K9 units and sedans were outfitted to meet CDCR design requirements. Another chief contributor to the increase in metal products was the Department of the Military’s purchases for projects to replace and upgrade the furniture in barracks at several active camps throughout California.

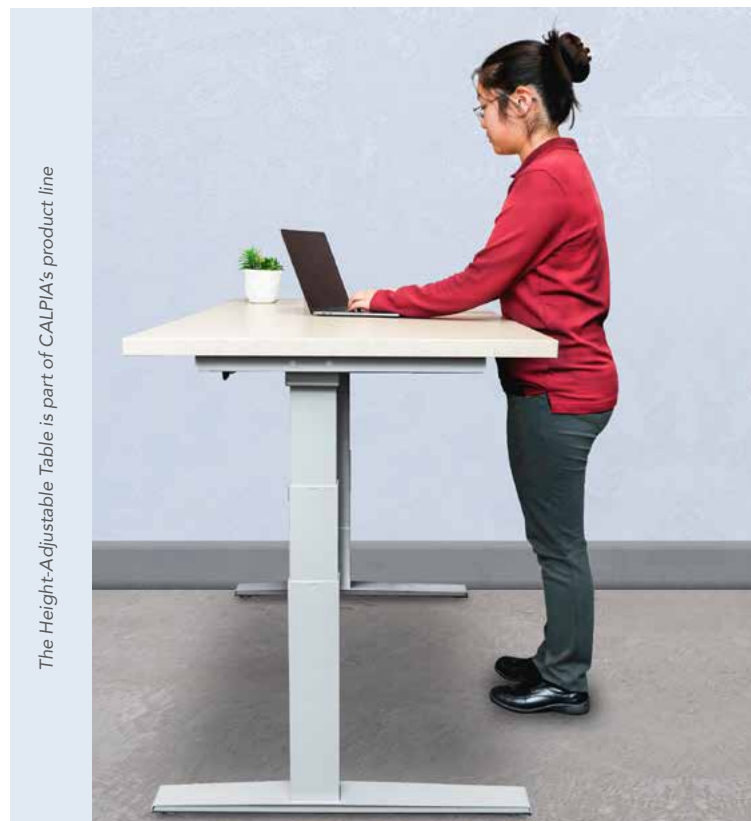
FURNITURE

CALPIA continues to support the ergonomic needs of State employees by selling height-adjustable tables which was its fastest growing product line in FY 2018-19.

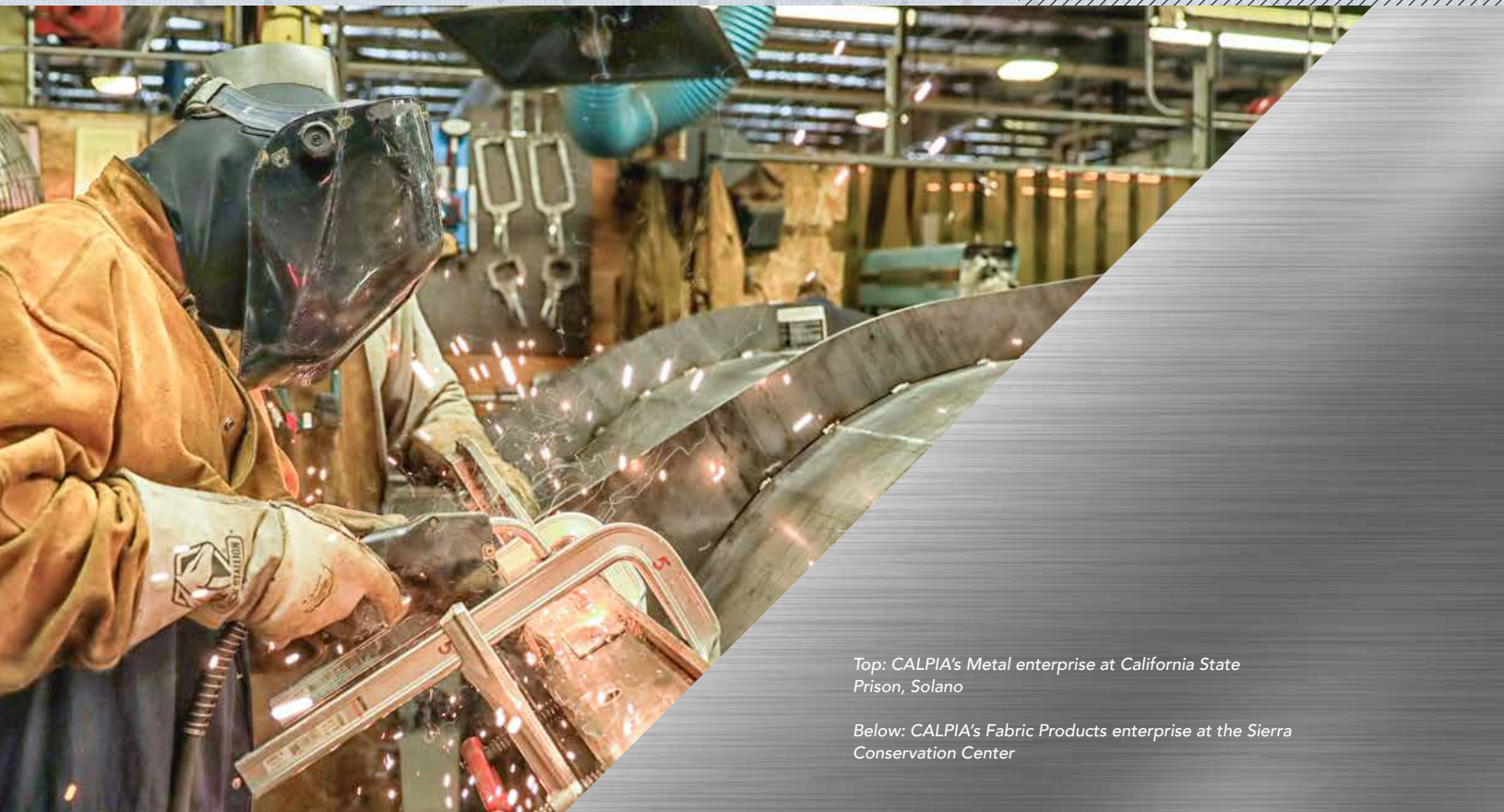
More and more people from ergonomists to health and safety experts recognize the benefits of alternating standing with sitting. It is reported that balanced movement is the key to wellness at work. CALPIA’s sit/stand products are designed to help create an engaging, active workspace. Switching between seated and standing postures throughout the day is not only good for energy and productivity, but for overall health. Agencies are replacing fixed desks, and cubicle work surfaces with height adjustable tables. The new square profile edge banding with matching color tops provides sleek attractive styling. Technology

options include modesty panels, wire managers and monitor arms. CALPIA sells height-adjustable tables both as a stand-alone product and as part of the space planning of cubicles, meeting the goal of the Department of General Services for delivering office spaces and cubicles of the future.

In addition, CALPIA introduced new multi-purpose seating and tables to meet the increasing demand for flexible, versatile multi-use environments. The new chairs come with a variety of options and updated designs. Flip-top tables come in a variety sizes and colors. The flip mechanism is easy to use, and the tables can be locked in an upright position for easy storage.



The Height-Adjustable Table is part of CALPIA's product line



Top: CALPIA's Metal enterprise at California State Prison, Solano

Below: CALPIA's Fabric Products enterprise at the Sierra Conservation Center

FABRIC

CALPIA worked with California Department of Forestry and Fire Protection to produce new garments that are at the forefront of wildland firefighting technology. The dual compliant single layer work and tactical style pants are certified to the National Fire Protection Association standards and exceeds the requirements for total heat loss and radiant protective property for protecting firefighters from the inherent hazards related to wildland firefighting. The new single layer dual compliant pants eliminate the need for clothing transitions from the station to the fire line which creates faster response times. The new pants also help with increased mobility and comfort.



NEW FOOD ITEM

In January 2019, CALPIA added Chicken Chorizo for its CDCR menu and delivery schedules. Chicken Chorizo is less expensive than ground beef and is a lean protein that enables CDCR to manage nutritional impact to the menu which includes reduced fat items and calorie management. This new food item has been included in a variety of breakfast and dinner recipes.

BUSINESS INSTITUTIONAL FURNITURE MANUFACTURES ASSOCIATIONS LEVEL 2 CERTIFICATION

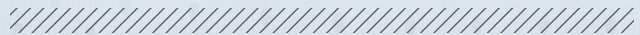
CALPIA maintains the highest standard of certification for sustainability, Business Institutional Furniture Manufactures Associations (BIFMA) Level 2. LEVEL is an evaluation and certification system for environmentally preferable and socially responsible office furniture. LEVEL contributes points to Leadership in Energy and Environmental Design (LEED) building ratings. CALPIA recently completed and updated its recertification for another three years for modular systems furniture, height adjustable tables and flip-top tables. In addition, CALPIA is pursuing certification of all furniture lines at Avenal State Prison, California Training Facility, and San Quentin State Prison. By achieving this accomplishment, CALPIA demonstrates that its products, enterprises and policies have met stringent third-party sustainability requirements.



CALPIA's Optical Lab at California State Prison, Solano

OPTICAL

As CALPIA works to expand its Optical enterprise, in FY 2018-19 new non-prescription wrap-around lens safety eyewear was offered. The new wrap-around eyewear provides exceptional peripheral vision and protection. The safety eyewear adjusts to most faces and elastomer brow guard deflects impact.



**CALPIA GRAND OPENING
AT O.H. CLOSE YOUTH
CORRECTIONAL FACILITY**

In January 2019, CALPIA opened the Code.7370 and Pre-Apprentice Construction Labor programs at O.H. Close Youth Correctional Facility. California Governor, Gavin Newsom, visited the construction and coding programs, and spoke with the youth sharing his vision for overhauling the juvenile justice system in California. These programs are part of a partnership with CDCR, Division of Juvenile Justice, The Last Mile, and local trade unions.

In January 2019, CALPIA opened the Code.7370 and Pre-Apprentice Construction Labor programs at O.H. Close Youth Correctional Facility



Top: Governor Gavin Newsom with O.H. Close Youth Correctional Facility wards

Middle: Governor Gavin Newsom and former CALPIA Code.7370 graduate, Jason Jones, interacting with CALPIA computer coding students

Bottom: Governor Gavin Newsom speaking at the O.H. Close Youth Correctional Facility CALPIA Grand Opening



Improved Processes

NEW EMPLOYEE ORIENTATION REDESIGN

CALPIA started redesigning its New Employee Orientation to include better preparing employees to work within correctional settings safely and effectively. The North Carolina Department of Public Safety, Correctional Enterprises implemented a similar change as the result of a tragic incident which resulted in the homicide of four employees. By moving towards the new model of staff safety, CALPIA will be able to better educate civil service staff on working inside correctional institutions. Implementation of this program is targeted for the third quarter of FY 2019-20.

STRATEGIC BUSINESS PLAN

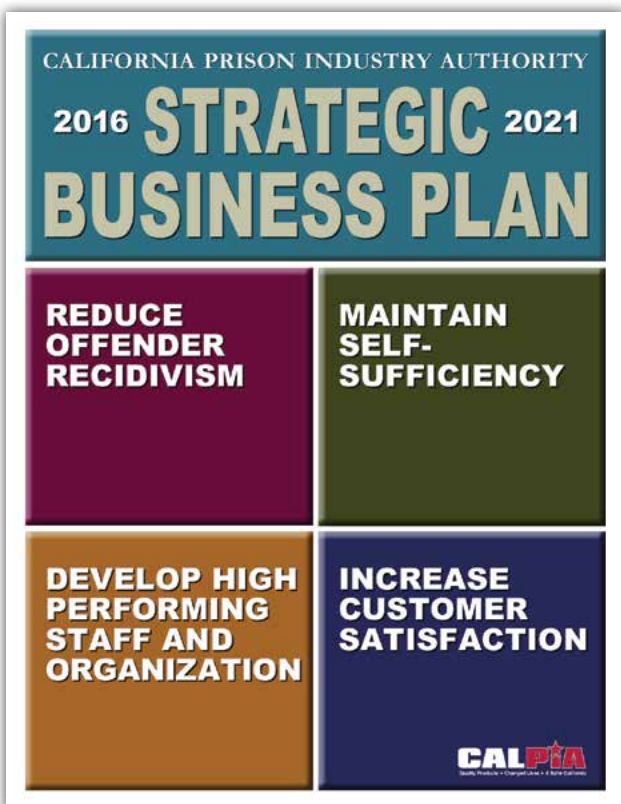
In January 2016, CALPIA launched a refresh of its Strategic Business Plan for the period 2016–2021. The plan sets the course for reaching future goals based on CALPIA’s mission and core values. To view a copy of CALPIA’s 2016–2021 Plan, please visit www.calpia.ca.gov/about/2016-2021-calpia-strategic-business-plan/.

ACA ACCREDITATION

In 2018, CALPIA was accredited to the American Correctional Association (ACA) Performance-Based Standards for Correctional Industries. CALPIA continues to implement the nationally recognized best practice standards which helps with staff and offender safety and security, staff morale, record maintenance and data management capabilities and improves the function of the agency at all levels.



Assistant General Manager of Operations Scott Perkins welcomes new staff during CALPIA's Employee Orientation



ISO CERTIFICATION

The International Organization for Standardization (ISO) sets world-class specifications for products, services and systems, to ensure quality, safety and efficiency. ISO is international in scope – with a national standards body membership from 164 countries. The United States is represented by the American National Standards Institute.

CALPIA incorporates several ISO management systems standards into its business practices. CALPIA is certified to the ISO 9001:2015 Quality Management System standard in nearly two-thirds of its business lines including: modular office furniture, wood and dormitory furniture, laundry services, modular buildings, cleaning products, mattresses, textiles, wildland fire protection apparel, and the management of its Healthcare Facilities Maintenance program. Additionally, CALPIA's E-waste Recycling enterprise is certified to the ISO 14001 Environmental Management and ISO 45001 Occupational Health and Safety Management system standards. Together, these ISO standards utilize a risk-based thinking model and strategic tools to anticipate and prevent problems, increase productivity, eliminate waste and errors, support environmental responsibility, improve employee safety, and above all, ensure the continual improvement of CALPIA business processes.

E-WASTE

In support of the Governor's and Legislature's goal of 75% recycling, composting or source reduction of solid waste by 2020, CALPIA started a computer-recycling and refurbishing program. This program provides California State agencies and departments a comprehensive, seamless solution for disposing of e-waste while providing offenders valuable job skills. The CALPIA E-Waste program is certified to international standards including: ISO 14001, Environmental Management; Occupational Health and Safety: ISO 45001; and R2, Responsible Recycling. These certifications emphasize quality, safety, environmental performance and transparency. In 2018, the total E-Waste poundage was over a million pounds.

LEAN MANUFACTURING

CALPIA continues training and implementation of Lean Manufacturing in various enterprises, including the furniture enterprises at San Quentin State Prison and Avenal State Prison.

Lean Manufacturing is a process-improvement system that identifies and eliminates waste, understands customer needs, analyzes business processes and institutes proper measurement methods.



Top: Construction Labor student at Folsom State Prison, in the CALPIA Modular Building Enterprise

Bottom: Offender working in CALPIA E-Waste program

Summary of Prison Industry Board Action Items - FY 2018-2019

MEETING DATE	ITEM NUMBER	ACTION ITEMS
10/25/2018	18-1025-402-AI	A Optical Enterprise: Establishment of Additional Optical Laboratory (Central California Women’s Facility)
	18-1025-403-AI	B Digital Services Enterprise: Additional Location & Services (San Quentin State Prison)
	18-1025-404-AI	C CALPIA Inmate Worker Hiring Standards and Requirements: Request to Amend Regulations: Title 15, Division 8, Section 8004.1
	18-1025-405-AI	D CALPIA Inmate Pay Rates, Schedule and Movement: Request to Amend Regulations: Title 15, Division 8, Section 8006
12/18/2018	18-1218-406-AI	A Approval of CALPIA’s Proposed Mid-Year Revise for Fiscal Year 2018-2019
	18-1218-407-AI	B Approval of Designation of Cash to Support CALPIA’s Fiscal Year 2018-2019 Mid-Year Revise Budget Proposal
	18-1218-408-AI	C Approval of Proposed Legislation to Amend Penal Code Section 2933.3 to Authorize CALPIA Participants to Earn 2-for-1 Credit
	18-1218-409-AI	D Add Regulations: Title 15, Division 8.5, Section 8903, “Settlement Authority”
	18-1218-410-AI	E Add Regulations: Title 15, Section 8.5, Section 8905, “Incentive Compensation Authority”
	18-1218-411-AI	F Amend CDCR Department Operations Manual: Section 51110.3, Article II, “Administrative Officer of the Day”
	18-1218-412-AI	G Approval of Proposed Pay Increase for Healthcare Facilities Maintenance Custodial Classifications
1/25/2019	19-0125-413-AI	A California Prison Industry Authority’s Report to the Legislature, Fiscal Year 2017-2018
	19-0125-414-AI	B Amend Regulations; Title 15, Division 8, Section 8004.2, “Inmate Recruitment and Hiring Process”
4/9/2019	No Action Items Presented	
6/19/2019	19-0619-415-AI	A Approval of CALPIA’s Proposed Annual Plan for Fiscal Year 2019-2020
	19-0619-416-AI	B Approval of CALPIA’s Designation of Cash to Support Fiscal Year 2019-2020 Annual Plan



Financial Plan (In Thousands)	FY 2016-17 Audited Actuals	FY 2017-18 Audited Actuals	FY 2018-19 Unaudited Actuals	FY 2019-20 Approved Annual Plan
Revenues				
Manufacturing	\$100,240	\$93,647	\$100,863	\$101,320
Services	\$110,460	\$120,584	\$124,766	\$133,031
Agricultural	\$22,836	\$26,934	\$25,669	\$30,255
Total Revenue	\$233,536	\$241,166	\$251,298	\$264,606
Expenses				
Cost of Goods Sold				
Manufacturing	\$70,767	\$70,497	\$74,963	\$71,664
Services	\$81,387	\$89,257	\$96,434	\$108,957
Agricultural	\$21,472	\$24,393	\$25,817	\$24,066
Total Cost of Goods Sold	\$173,626	\$184,147	\$197,214	\$204,687
Gross Profit	\$59,910	\$57,019	\$54,084	\$59,919
Selling and Administration				
Central Office				
Prison Industry Board	\$155	\$259	\$240	\$281
Executive Management	\$592	\$432	\$564	\$500
Legal	\$855	\$1,009	\$1,163	\$1,274
External Affairs	\$239	\$320	\$325	\$457
Information Systems / Project Management	\$5,400	\$6,226	\$8,466	\$7,023
Operations Division	\$3,071	\$3,658	\$3,839	\$4,037
Health & Safety	\$445	\$530	\$566	\$608
Marketing Division	\$6,120	\$6,856	\$7,098	\$8,772
Administration Division				\$0
Administration Management	\$461	\$462	\$466	\$655
Business Services	\$1,637	\$2,185	\$2,259	\$1,879
Human Resources	\$1,711	\$1,904	\$1,998	\$2,134
Staff Development	\$1,087	\$1,025	\$1,396	\$1,334
Fiscal Services				\$0
Fiscal Services Management	\$425	\$306	\$318	\$300
Budgeting & Financial Planning	\$666	\$794	\$713	\$1,002
Accounting Services	\$2,525	\$3,009	\$2,538	\$3,209
Inventory Management	\$610	\$640	\$592	\$791
ERP Resource Unit	-	-	\$780	\$1,087
Sub-total Central Office	\$25,999	\$29,617	\$33,322	\$35,343
Offender Development Programs				
Workforce Development Management	-	-	\$157	\$437
Industry Employment Program	\$781	\$1,154	\$2,632	\$2,825
Joint Venture/Free Venture	\$810	\$873	\$742	\$809
Reimbursement	(\$719)	(\$734)	(\$782)	(\$809)
Career Technical Education	\$3,878	\$8,801	\$6,876	\$9,218
Reimbursement	(\$2,600)	(\$4,417)	(\$4,054)	(\$5,689)
Total Offender Development Programs	\$2,150	\$5,678	\$5,573	\$6,791
Distribution/Transportation	\$14,095	\$14,989	\$15,932	\$15,506
Total Selling and Administration¹	\$42,244	\$50,284	\$54,826	\$57,640
Operating Income/(Loss)	\$17,666	\$6,735	(\$742)	\$2,279
Non-Operating Revenues/(Expenses)	\$441	\$268	(\$160)	\$606
Unallocated Items				
Unallocated Personal Leave ²	\$0	\$985	\$660	-
Unallocated Workers' Compensation	\$0	\$0	\$3,031	-
Unallocated Other Post Employment Benefits ³	\$9,535	\$10,433	TBD ⁴	\$0
Total Unallocated Items	\$9,535	\$11,418	\$3,691	\$0
Non-Recurring Expenses				
Grants	\$125	\$0	\$0	-
Penal Code 2806 Transfer	(\$62,600)	\$0	\$0	-
CDCR Inmate Construction Revolving Fund Transfer	\$0	(\$4,000)	\$0	-
Net Gain/(Loss)	(\$53,903)	(\$8,416)	(\$4,593)	\$2,885
<i>The items shown below are for display purposes only and are included above.</i>				
Net Pension Liabilities	\$14,609	\$12,071	TBD ⁴	-
State Pro Rata	\$6,353	\$7,331	\$8,104	\$9,610
SB 84 Liability	-	-	\$874	\$1,179
Legal Settlements	\$276	\$21	\$23	\$150

¹ Total recorded under Selling & Administration (S&A) is \$58,517 which includes \$54,826 S&A expenses plus total unallocated items of \$3,691.

² Prior to FY 2017-18, Unallocated Personal Leave was recorded in Costs of Goods Sold. It is now recorded in Selling & Administration.

³ On June 27, 2017, Assembly Bill No. 103, Sections 37 and 38 were approved by the Governor, pursuant to its authority, and Penal Code Sections 2801 and 2808 were amended. Pursuant to amendments, CALPIA is not required to fund its OPEB liability. During fiscal year 2018, the State implemented GASB 75. The adoption resulted in the elimination of Net OPEB Obligation under GASB 45 and introduced Net OPEB Liability in accordance with GASB 75.

Designation of Cash (In Thousands)	FY 2016-17 Audited Actuals	FY 2017-18 Audited Actuals	FY 2018-19 Unaudited Actuals	FY 2019-20 Approved Annual Plan
Cash Flows from Operations				
Total Cash Receipts	\$238,521	\$245,881	\$253,773	\$264,606 ¹
Total Cash Payments	(\$210,083)	(\$229,669)	(\$246,599)	(\$251,936) ²
Net Cash from Operations	\$28,438	\$16,212	\$7,174	\$12,670
Cash Flows from Noncapital Financing Activities				
Transfer to State General Fund	(\$62,600)	\$0	\$0	\$0
Interest Paid	(\$16)	(\$37)	(\$211)	(\$24)
Net Cash Used in Noncapital Financing Activities	(\$62,616)	(\$37)	(\$211)	(\$24)
Cash Flows - Capital and Related Financing				
Acquisitions of New Capital Assets	(\$16,645)	(\$18,971)	(\$26,536)	(\$14,816)
Rollover of Capital Projects Approved in Prior Years	\$0	\$0	\$0	(\$23,947)
Other Related Financing Activities	\$125	(\$4,000)	\$0	\$0
Proceeds from Sale of Capital Assets	\$384	\$555	\$384	(\$92)
Net Cash - Capital and Related Financing	(\$16,136)	(\$22,416)	(\$26,152)	(\$38,855)
Cash Flow From Investing Activities				
Interest Received	\$702	\$599	\$842	\$926
Cash and Cash Equivalents at Beginning of Year	\$110,732	\$61,120	\$55,478	\$50,586
Change in Cash and Cash Equivalents	(\$49,612)	(\$5,642)	(\$18,347)	(\$25,283)
Cash and Cash Equivalents at End of Year	\$61,120	\$55,478	\$37,131	\$25,303
Operating Activities Reconciliation				
Revenue	\$233,536	\$241,166	\$251,298	\$264,606
Cost of Goods Sold	(\$173,626)	(\$184,147)	(\$197,214)	(\$204,686)
Selling and Administration	(\$51,779)	(\$61,703)	(\$54,826)	(\$57,641)
Operating Income (Loss)	\$8,131	(\$4,684)	(\$742)	\$2,279
Non-Operating Revenues/(Expenses)	\$441	\$268	(\$160)	\$606
Adjustments:				
Depreciation	\$7,657	\$8,432	\$9,854	\$10,595
Other Revenue (Expenses), Net	(\$57)	(\$98)	(\$188)	(\$204)
Net Effect of Other Adjustments	\$367	(\$5,028)	(\$1,749)	\$0
Net Adjustments	\$7,967	\$3,306	\$7,916	\$10,391
Current Year Adjustments				
Net OPEB Obligation	\$9,535	\$0	\$0	\$0
Net OPEB Liability	\$0	\$10,433	TBD ³	\$0
Net Pension Liability	\$2,804	\$7,157	TBD ³	\$0
Unallocated Workers' Compensation/Personal Leave	-	-	[\$3,691] ⁴	-
Net Current Year Adjustments	\$12,339	\$17,590	\$0	\$0
Net Cash Provided by Operations	\$28,438	\$16,212	\$7,174	\$12,670

¹ Budget figures are estimated Revenues.

² Budget figures are estimated Cost of Goods Sold + Selling and Administration expenses + Other Non-Operating Income & Expenses - Depreciation.

³ Pending release from the State Controller's Office.

⁴ FY 2018-19 Workers' Compensation and Personal Leave displayed in Current Year Adjustments.

Enterprise Overview

(In Thousands)

Revenue

Cost of Goods
SoldGross Profit
(Loss)**Manufacturing**

Furniture	\$17,900	\$13,884	\$4,016
Metal Products	8,000	6,546	1,454
License Plates	20,000	9,148	10,852
General Fabrication	11,200	8,497	2,703
Bindery	1,700	1,494	206
Knitting Mill	1,350	923	427
Fabric Products	27,500	20,366	7,134
Shoes	4,270	3,694	576
Mattresses	3,100	2,297	803
Cleaning Products	5,950	4,349	1,601
Modular Construction	350	466	(116)

Sub-total Manufacturing**\$101,320****\$71,664****\$29,656****Services**

Meat Cutting	\$11,025	\$9,494	\$1,531
Bakery	2,300	1,869	431
Coffee Roasting	1,900	1,382	518
Food & Beverage Packaging	25,175	20,839	4,336
Metal Signs	2,000	1,245	755
Printing	6,000	3,734	2,266
Dental Lab	800	614	186
Digital Services	900	572	328
Laundry	13,400	11,885	1,515
Optical	17,531	11,069	6,462
Construction Services & Facilities Maintenance	52,000	46,254	5,746

Sub-total Services**\$133,031****\$108,957****\$24,074****Agricultural**

Dairy / Farm	\$16,685	\$13,299	\$3,386
Crops	1,120	1,586	(466)
Poultry	5,600	5,311	289
Egg Production	6,850	3,858	2,992

Sub-total Agricultural**\$30,255****\$24,066****\$6,189****Total****\$264,606****\$204,687****\$59,919**

Offender Assignments	FY 2016-17 Actuals¹	FY 2017-18 Actuals¹	FY 2018-19 Actuals¹	FY 2019-20 Approved Annual Plan
Manufacturing				
Furniture	406	388	401	514
Metal Products	241	230	260	289
License Plates	114	114	119	120
General Fabrication	126	127	116	147
Bindery	76	53	82	100
Knitting Mill	55	51	56	75
Fabric Products	1,093	1,089	1,067	1,260
Shoes	128	120	125	135
Mattress	35	33	30	41
Cleaning Products	40	42	47	50
Modular Construction	8	7	6	12
Sub-Total Manufacturing	2,322	2,254	2,309	2,743
Services				
Meatcutting	58	51	55	66
Bakery	56	59	57	60
Coffee Roasting	17	22	22	23
Food & Beverage Packaging	241	250	256	305
Metal Signs	34	36	36	45
Printing	105	91	87	127
Dental Lab	59	57	60	63
Digital Services	16	15	18	24
Laundry	589	570	572	675
Optical	189	199	217	280
Construction Services & Facilities Maintenance	845	921	1,304	1,976
Sub-Total Services	2,209	2,271	2,684	3,644
Agricultural				
Dairy	139	107	143	213
Crops	4	17	26	32
Poultry	42	42	38	47
Egg Production	12	20	13	30
Sub-Total Agricultural	197	186	220	322
Selling and Administration				
Statewide Administrative Support	178	172	169	255
On-Time Delivery	11	8	9	56
Central Office	27	28	34	50
Career Technical Education Programs	239	406	354	732
Sub-Total Selling and Administration	455	614	566	1,093
Total	5,183	5,325	5,779	7,802

¹ Actuals are based on the average filled offender assignments for the FY.

Offender Positions by Location

Average Monthly Filled Offender Assignments

Institution	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Approved Annual Plan
Avenal State Prison	409	424	395	498
California City Correctional Facility	14	16	18	19
California Correctional Center	21	29	41	50
California Correctional Institution	239	240	276	301
California Health Care Facility Stockton	0	1	24	32
California Institution for Men / On-Time Delivery (South)	186	190	223	299
California Institution for Women	159	184	185	242
California Men's Colony	534	483	487	648
California Rehabilitation Center	18	35	32	36
California State Prison, Lancaster	99	114	122	130
California State Prison, Sacramento	60	65	67	83
California State Prison, Solano / California Medical Facility	457	405	524	638
Calipatria State Prison	22	27	34	43
Centinela State Prison	89	97	106	107
Central California Women's Facility / Valley State Prison	327	380	394	540
Central Office	25	28	34	355
Chuckawalla Valley State Prison	45	54	61	62
Corcoran State Prison / Substance Abuse Treatment Facility / On-Time Delivery (Central)	315	309	340	517
Correctional Training Facility	332	321	367	460
Deuel Vocational Institution	86	61	92	134
Folsom State Prison	415	408	448	538
Folsom Women's Facility / On-Time Delivery (North)	79	89	88	218
High Desert State Prison	21	28	36	42
Ironwood State Prison	23	35	40	40
Kern Valley State Prison	22	26	28	47
Mule Creek State Prison	416	433	427	541
North Kern State Prison	19	22	28	40
Pelican Bay State Prison	41	63	85	119
Pleasant Valley State Prison	20	29	26	43
Richard J. Donovan Correctional Facility	182	211	228	248
Salinas Valley State Prison	16	22	26	46
San Quentin State Prison	266	252	250	394
Sierra Conservation Center	141	152	142	184
Wasco State Prison	85	92	105	108
TOTALS	5,183	5,325	5,779	7,802

CALPIA Enterprise, Career Technical Education (CTE), Joint Venture (JV) and Free Venture (FV) Locations

1 Pelican Bay State Prison (PBSP)

- Construction Services & Facilities Maintenance
- Laundry
- Support Services
- **CTE Programs**
- Computer-Aided Design
- Computer Coding

2 High Desert State Prison (HDSP)

- Construction Services & Facilities Maintenance
- Support Services

3 California Correctional Center (CCC)

- Construction Services & Facilities Maintenance
- **JV Program**
- Barnum Farming

4 Folsom State Prison (FSP)

- Construction Services & Facilities Maintenance
- Digital Services
- License Plates
- Metal Products
- Metal Signs
- Modular Building
- Printing
- Support Services
- **CTE Programs**
- Pre-Apprentice Carpentry
- Pre-Apprentice Construction Labor
- Pre-Apprentice Iron Worker
- Pre-Apprentice Roofing

Folsom Women's Facility (FWF)

- Construction Services & Facilities Maintenance
- **CTE Programs**
- Computer-Aided Design
- Computer Coding
- Culinary Arts Management
- Pre-Apprentice Carpentry
- Pre-Apprentice Construction Labor

5 CSP Sacramento (SAC)

- Construction Services & Facilities Maintenance
- Laundry

6 California Medical Facility (CMF)

- Construction Services & Facilities Maintenance

7 CSP Solano (SOL)

- Bindery
- Construction Services & Facilities Maintenance
- Laundry
- Metal Products
- Optical
- Support Services
- **JV Program**
- Customer Model Laundry

8 Mule Creek State Prison (MCSP)

- Coffee Roasting
- Construction Services & Facilities Maintenance
- Fabric Products
- Food & Beverage Packaging
- Laundry
- Meat Cutting
- Support Services

9 California Health Care Facility (CHCF)

- Construction Services & Facilities Maintenance

10 CSP San Quentin (SQ)

- Construction Services & Facilities Maintenance
- Furniture
- Mattress
- Support Services
- **CTE Programs**
- Computer Coding
- Pre-Apprentice Construction Labor
- **JV Programs**
- Big Dawg Manufacturing
- TLM Works

11 Sierra Conservation Center (SCC)

- Construction Services & Facilities Maintenance
- Fabric Products

12 Deuel Vocational Institution (DVI)

- Construction Services & Facilities Maintenance
- Dairy
- Support Services

13 Valley State Prison (VSP)

- Construction Services & Facilities Maintenance
- Laundry
- Optical

14 Central California Women's Facility (CCWF)

- Construction Services & Facilities Maintenance
- Crops
- Dental Lab
- Fabric Products
- Support Services
- **CTE Programs**
- Pre-Apprentice Carpentry
- Pre-Apprentice Construction Labor
- **JV Program**
- Joint Venture Electronics

15 Correctional Training Facility (CTF)

- Construction Services & Facilities Maintenance
- Fabric Products
- Furniture
- Support Services

16 Salinas Valley State Prison (SVSP)

- Construction Services & Facilities Maintenance

17 Pleasant Valley State Prison (PVSP)

- Construction Services & Facilities Maintenance

18 CSP Corcoran (COR)

- Construction Services & Facilities Maintenance
- Dairy
- Food & Beverage Packaging
- Laundry
- Support Services

19 Substance Abuse Treatment Facility (SATF)

- Construction Services & Facilities Maintenance
- Food & Beverage Packaging

20 Avenal State Prison (ASP)

- Construction Services & Facilities Maintenance
- Egg Production
- Furniture
- General Fabrication
- Laundry
- Poultry
- Support Services

21 North Kern State Prison (NKSP)

- Construction Services & Facilities Maintenance

22 Kern Valley State Prison (KVSP)

- Construction Services & Facilities Maintenance
- Support Services

23 Wasco State Prison (WSP)

- Construction Services & Facilities Maintenance
- Laundry

24 California Men's Colony (CMC)

- Construction Services & Facilities Maintenance
- Fabric Products
- Knitting Mill
- Laundry
- Printing
- Shoes
- Support Services

25 California Correctional Institution (CCI)

- Construction Services & Facilities Maintenance
- Fabric Products
- Support Services

26 CSP Los Angeles County (LAC)

- Cleaning Products
- Construction Services & Facilities Maintenance
- Laundry
- Support Services

27 California Institution for Men (CIM)

- Construction Services & Facilities Maintenance
- Food & Beverage Packaging
- Laundry
- Support Services
- **CTE Programs**
- Commercial Diving
- Pre-Apprentice Construction Labor

28 California Rehabilitation Center (CRC)

- Construction Services & Facilities Maintenance

29 California Institution for Women (CIW)

- Construction Services & Facilities Maintenance
- Fabric Products
- **CTE Programs**
- Computer Coding
- Pre-Apprentice Carpentry
- Pre-Apprentice Construction Labor

30 Chuckawalla Valley State Prison (CVSP)

- Construction Services & Facilities Maintenance
- Laundry

31 Ironwood State Prison (ISP)

- Construction Services & Facilities Maintenance

32 Calipatria State Prison (CAL)

- Construction Services & Facilities Maintenance

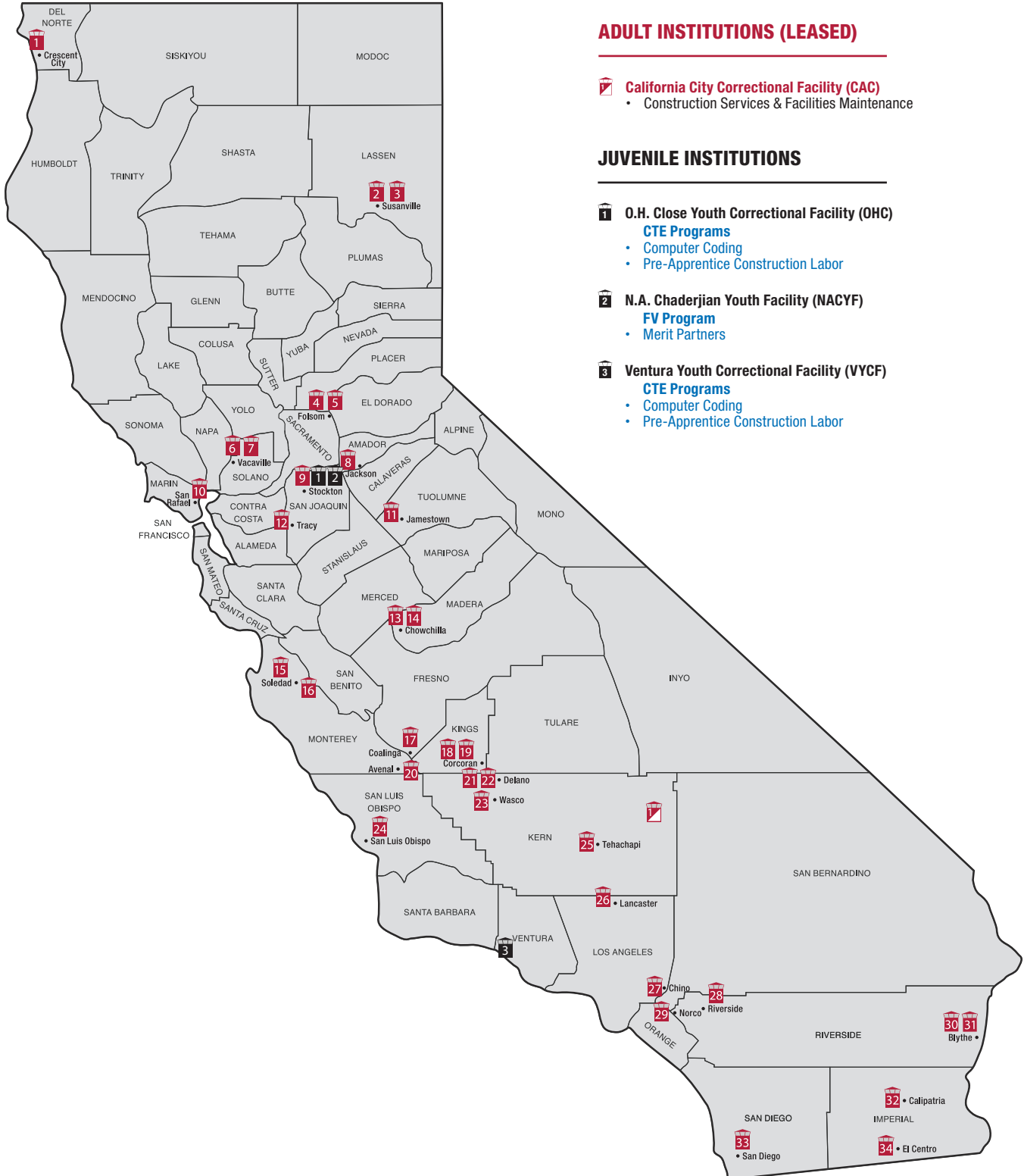
33 R.J. Donovan Correctional Facility (RJD)

- Bakery
- Construction Services & Facilities Maintenance
- Laundry
- Shoes
- Support Services

34 Centinela State Prison (CEN)

- Construction Services & Facilities Maintenance
- Fabric Products
- Support Services

CALPIA Enterprise, Career Technical Education (CTE), Joint Venture (JV) and Free Venture (FV) Locations



ADULT INSTITUTIONS (LEASED)

- California City Correctional Facility (CAC)
 - Construction Services & Facilities Maintenance

JUVENILE INSTITUTIONS

- 1 O.H. Close Youth Correctional Facility (OHC)
 - CTE Programs
 - Computer Coding
 - Pre-Apprentice Construction Labor
- 2 N.A. Chaderjian Youth Facility (NACYF)
 - FV Program
 - Merit Partners
- 3 Ventura Youth Correctional Facility (VYCF)
 - CTE Programs
 - Computer Coding
 - Pre-Apprentice Construction Labor

Approved by the California Prison Industry Board
on December 17, 2019



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