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Contact: Eric Reslock
(916) 358-1802
Cell: (916) 764-1696
eric.reslock@calpia.ca.gov

CALIFORNIA PRISON INDUSTRY AUTHORITY MAINTAINS SELF SUFFICIENCY

At its meeting on June 17, 2011, in accordance with California Penal Code Section 2801(b), the California Prison Industry Authority (CALPIA) presented its Annual Plan to the Prison Industry Board (PIB) for review and approval. The Prison Industry Board unanimously approved the Fiscal Year 2011-2012 Annual Plan. The Annual Plan is an outline of CALPIA's operational expectations for the upcoming Fiscal Year (FY) beginning on July 1, 2011. The Annual Plan contains a balanced budget, and is CALPIA's best projection of revenues and expenditures at the time the plan is developed. It takes into consideration known changes in the economy, legislation, the State budget, and inmate populations.

"In these tough economic times CALPIA has increased efficiencies and new product development, thereby continuing its self sufficiency," said Chuck Pattillo, CALPIA General Manager. "CALPIA is the California Department of Corrections and Rehabilitation's (CDCR) most successful rehabilitative program, and functions without appropriations from the Legislature. CALPIA business operations reduce prison violence, reimburse victims, save taxpayer dollars, and develop work skills."

The proposed Annual Plan includes revenues of $158 million and fully funds all CALPIA operations and expenses, including $.98 million to fund scaled down Career Technical Education (CTE) programs, which was reduced due to the expiration of the contract with CDCR that previously funded CTE programs. Annual revenues are down $76 million from a high of $234 million in FY 2008-09. The largest product declines since FY 2008-09 are Modular Construction (-$22 million), Optical (-$12.5 million), General Fabrication (-$10 million), and Furniture (-$10 million).

The Annual Plan anticipates utilizing an average of 5,741 inmate positions, a reduction of 443 positions (7.2 percent) from the 2010-2011 Mid Year Revise (MYR). The Annual Plan also anticipates funding 571 civil service positions, which includes salary savings of 87 positions (13.2 percent).

In accordance with Section 2801(c) of the California Penal Code, CALPIA is required to operate a work program for prisoners which will ultimately be self-supporting by generating sufficient funds from the sale of products and services to pay all the expenses of the program, and one which will provide goods and services which are or will be used by the Department of Corrections, thereby reducing the cost of its operation.

"I am proud of the hard work and sacrifice of the dedicated staff at CALPIA," continued Pattillo. "In this atmosphere of layoffs and fiscal uncertainty, CALPIA staff has been resilient and unwavering in their commitment to our mission."

The actual amounts for the 2011-2012 FY will reflect changes that CALPIA implements to adjust revenues and expenditures due to revised conditions. CALPIA reports these changes to the PIB in a revised plan, and anticipates this plan will be adjusted before December 31, 2011, in a Mid Year Revise, consistent with past practice.

CALPIA is a self-financed and self-sufficient state entity that receives all of its revenue from the sale of products it manufactures. The recidivism rate among CALPIA inmates is over 25 percent lower than the general prison population, a success attributed to the job skills that they receive by working in CALPIA business enterprises.