FOR IMMEDIATE RELEASE
Contact: Richard Woonacott, PIO
(916) 764-1696

CALIFORNIA PRISON INDUSTRY AUTHORITY
MAINTAINS PROFITABILITY AND SELF SUFFICIENCY

At its meeting on June 29, 2010, in accordance with California Penal Code Section 2801(b), the California Prison Industry Authority (CALPIA) presented its Annual Plan to the Prison Industry Board for review and approval. The Prison Industry Board unanimously approved the Fiscal Year 2010-2011 Annual Plan. The Annual Plan is an outline of CALPIA's operational expectations for the upcoming fiscal year (FY) beginning on July 1, 2010. 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 the CALPIA has been able to maintain profitability through increased efficiencies, thereby continuing its self sufficiency," said Chuck Pattillo, CALPIA General Manager. "CALPIA is CDCR's most successful rehabilitative program, and as a self sufficient program, CALPIA business operations help reduce prison violence, reimburse victims, save taxpayer dollars, and develop work skills."

The proposed Annual Plan includes revenues of $180.4 million and fully funds all CALPIA operations and expenses, including $2.3 million to fund Career Technical Education (CTE) programs, while providing a minimal net profit. The Annual Plan anticipates utilizing an average of 6,333 inmate positions, a reduction of 198 positions (3.0 percent) from the 2009-2010 MYR. The Annual Plan also anticipates funding 621 civil service positions, a reduction of 29 positions (4.0 percent) from the mid-year review.

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.

The approved Annual Plan estimates a net profit level of $1.6 M which is a decrease of 63.0 percent ($2.7 M) under the $4.3 M estimated for the current year. The current year estimate appears to be accurate as we approach the end of the fiscal year.

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

However, the actual amounts for the same period of time will reflect changes that CALPIA implements to adjust revenues and expenditures due to revised conditions. CALPIA reports these changes to the Board in a revised plan and anticipates this plan will be adjusted before December 31, 2010, in a “Mid-Year Revise” (MYR), 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 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.

# # #