

---oOo---

)
)
)
PRISON INDUSTRY BOARD MEETING)
)
)
)
)
)
)
)
_____)

---oOo---

California State Prison, Corcoran
4001 King Avenue
Corcoran, California

Tuesday, December 18, 2018

Reported by: TAMARA MENDOZA SUMPTER, CSR 9993

DIAMOND COURT REPORTERS
1107 2nd St., Suite 210
Sacramento, CA 95814
916-498-9288

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

---oOo---

Board:

- RALPH DIAZ, Chair
- DARSHAN SINGH, Vice Chair
- DR. ARMOND AGHAKHANIAN, Member
- WILLIAM DAVIDSON, Member
- DAWN DAVISON, Member
- CURTIS KELLY, Member
- FELIPE MARTIN, Member
- JEFF McGUIRE, Member
- MICHELLE STEEB, Member

Executive Officer:

CHARLES L. PATTILLO

Secretary:

THY VUONG

Counsel:

JEFFERY A. SLY, ESQ.

1 --oOo--

2 December 18, 2018

3 10:00 A.M.

4 --oOo--

5 MR. DIAZ: I'm going to call the PIA Board
6 meeting, Prison Industry Board meeting to order. And my
7 Apple watch here shows straight 10:00 o'clock. I would
8 like to ask that this meeting begin. It's a public
9 meeting; so there will be an opportunity for public
10 comment for those in attendance here, and I do want to
11 thank you for taking the time to come and be part of
12 this. I think it's important that you see what we do
13 here and more important you see the great things that PIA
14 is doing.

15 I'm going to ask Thy if she could please take
16 the roll.

17 THE SECRETARY: Chair Singh -- Chair Diaz.
18 Sorry.

19 CHAIR DIAZ: Here.

20 THE SECRETARY: Vice Chair Singh.

21 VICE CHAIR SINGH: Here.

22 THE SECRETARY: Member Aghakhanian.

23 MR. AGHAKHANIAN: Here.

24 THE SECRETARY: Member Davidson.

25 MR. DAVIDSON: Here.

1 THE SECRETARY: Member Davison.

2 MS. DAVISON: Here.

3 THE SECRETARY: Member Jenkins.

4 Member Jennings.

5 Member Kelly.

6 MR. KELLY: Here.

7 THE SECRETARY: Member Martin.

8 MR. MARTIN: Here.

9 THE SECRETARY: Member McGuire.

10 MR. MCGUIRE: Here.

11 THE SECRETARY: Member Steeb.

12 MS. STEEB: Here.

13 CHAIR DIAZ: Let the record show we have a
14 quorum of nine members.

15 Thank you very much.

16 Before we begin, before I get into my opening
17 comments, I do want to point out to the Board and State
18 that we will be pulling Action Item C off the agenda.
19 That's the approval for proposed legislation to amend
20 2933, two-for-one credit for PIA inmate participants.

21 I do want to welcome the board members here to
22 the California State Prison here in Corcoran. This is a
23 place that is really near and dear to my heart. This was
24 the second prison that I began as a correctional officer.
25 I spent a lot of time on these yards, a lot of time in

1 this room being trained. This prison has gone through
2 quite a bit of transformation. We've been through many
3 wardens. And this prison still stands as an institution
4 that's very proud of their mission, very proud of what
5 they do for the citizens of California, and it is a
6 location that staff do seek to come and gain a lot of
7 experience, and I know that's the very same for CALPIA.

8 I do want to thank Warden Clark and his team for
9 the privilege of being able to hold this meeting here.
10 We have Acting Warden Jaime Perez. Warden Clark is on
11 vacation. And I had a chance to talk to Acting Warden
12 Perez this morning about how Corcoran is going, how the
13 relationship with PIA is, and I was told it's very
14 strong.

15 So thank you, Jaime, for your work here.

16 I know a little bit later we're going to be
17 touring SATF, and I want to thank Warden Stu Sherman.
18 He's at the institution waiting for us, but he has his
19 chief deputy warden here, Theresa Macias, and I just want
20 to thank her for her leadership. It's not Teresa Macias.
21 I'm sorry. Cisneros. Teresa Macias was the CEO here.
22 Theresa Cisneros, Chief Deputy Warden.

23 And I look forward to touring over there and
24 seeing the old institution.

25 Corcoran itself here, they house about 3,300

1 inmates. They have a vibrant PIA operation here.

2 SATF, they hold over 5,000 inmates, and at one
3 time when I was warden, we held nearly 9,500 inmates in
4 that one location. That was during the overcrowding
5 days. I think for SATF, one of its most notable
6 individuals that was housed there was Robert Downey, Jr.,
7 at one time. That's when he was going through a rough
8 patch in his life, but clearly we did him well, and he's
9 making millions of dollars in Hollywood. So we did real
10 well at SATF with him.

11 As far as CDCR and updates, what we're -- as
12 corrections, we are in a transition period with Governor
13 Brown to Governor Elect Newsom. We've had meetings
14 initially with the transition team, and all indications
15 is that we're going to continue on the path we're going
16 with the reforms and HOPE and rehabilitation and training
17 of staff and training of inmates to understand that the
18 function that California Department of Corrections serves
19 is a rehabilitative function, and I know PIA has that
20 same mindset. So hopefully by the next meeting, you'll
21 still see me here. I am throwing my hat in for this
22 position as an actor, but I can tell you, corrections is
23 in a better place with the support and push from Governor
24 Brown, and we will dearly miss him as a governor.

25 So I'd like to take this opportunity right now,

1 if -- is this where -- Mr. Pattillo, do you have any
2 comments?

3 MR. PATTILLO: No.

4 CHAIR DIAZ: Board?

5 MS. STEEB: I would like to understand why we're
6 pulling Action Item C from the agenda. I was -- I read
7 the proposal; I was excited about it. So I'm just
8 curious as to why we're --

9 CHAIR DIAZ: One of the concerns is, with the
10 population pressures that we are having in the
11 institution for this same group of inmates that we're
12 pushing for firefighters, we're pushing for lower level
13 facilities, the concern was that the -- for me and the
14 institutions, was the workforce in the institutions, it
15 could diminish to a point, and we hadn't done a real
16 study to look at what the impacts of this would be for
17 that group of inmates. We're all struggling for that
18 same group of inmates. Fundamentally, I think it's where
19 we need to be, but without gathering data through our
20 resource to see what the impacts would be to the
21 operation with losing that group of inmates with a bench
22 that we're struggling to find to get inmates into these
23 lower level programs. So that was one of the concerns.

24 MS. STEEB: But my understanding is the idea
25 would be that we would use Conservation Corps members to

1 fill those positions.

2 CHAIR DIAZ: That's an idea that's been out
3 there. We haven't flushed that out completely with the
4 fire camps. We are still reeling and trying to populate
5 because of the 66 percent that were granted to
6 non-violent offenders. There is a push out there to
7 grant violent offenders 66 percent. And if that happens,
8 that really impacts Cal Fire. We did some studies
9 initially, and if that were to happen just to the violent
10 offenders, we would lose almost two and a half camps with
11 not a bench inside the institutions to fill.

12 Right now the institutions, they are already
13 overriding Level 2 inmates down to that level just to
14 meet the fire needs and the camp needs. There was a
15 thought that we'd go into the Level 3 inmates, a double
16 override down from Level 3 to Level 1, fire camp. It
17 does get risky.

18 So all of these efforts to push credits, they're
19 for a good reason, but we have to make sure we have the
20 plan behind us to backfill the inmates.

21 We are, as a department, going into a
22 non-designated programming push, which it's a fancy word
23 for taking sensitive needs inmates that at one time would
24 never participate at the lower levels and trying to get
25 those inmates and general population inmates to live on

1 the same yards. That would increase the population, but
2 right now we are probably 90 percent with that
3 integration. Once we get that integration done and it's
4 now normal for prison systems to override this group of
5 inmates to lower levels, we can examine and project what
6 the population would be for these programs, but I think
7 to do this now would -- without data, it could impact
8 workers being placed in those areas because trying to get
9 that level of inmate would be tough.

10 MS. STEEB: So I appreciate those concerns. I'm
11 also concerned about the inmates and where they have the
12 best opportunities for success and where public safety
13 has the best opportunity for success. So if we're -- so
14 I'd love to understand a timeline for this, but if
15 we're -- if we're taking into consideration, you know,
16 fire camps, I also want to take into consideration the
17 inmates.

18 So what kind of recidivism rate do the fire camp
19 participants have versus like -- because we know what
20 PIA's are. I just don't know what the fire camps' are.

21 CHAIR DIAZ: I couldn't give you what it is
22 today. I'll get it for you. But I think this really
23 comes down to doing a proper dive into what the numbers
24 would look like. Right now, if we were to pass this --
25 and I know that this isn't something that would be done

1 next month -- but without seeing what the numbers would
2 be, I think we'd be remiss because there are always
3 impacts. You make one change here, there's four down the
4 road that are unseen and unanticipated.

5 MS. STEEB: Right.

6 CHAIR DIAZ: I'd love to look at this again once
7 we have the data.

8 MS. STEEB: What data are we looking for
9 specifically?

10 CHAIR DIAZ: For how many inmates would this
11 impact, not only for PIA, but for fire camps, also for
12 MCRPs, for other programs where this inmate is looking to
13 be. That's the numbers we're looking for.

14 MS. STEEB: And so what's the plan to capture
15 that data?

16 CHAIR DIAZ: I guess the plan would be if we get
17 to a point to where we do grant violent offender fire
18 campers 66 percent, what impact that would have on camps.
19 I think there's a time that we're going to have to take a
20 look at what we do with camps, and I know there's been
21 talk and I've read concerns that -- not concerns, but
22 thoughts that we could just dip into CCC. Those
23 conversations haven't been had. I know that
24 theoretically people could look at that and say that's a
25 perfect fit. You lose inmate fire fighters, you backfill

1 with CCC, but no communications have been had with Cal
2 Fire on that, little communication, if any, with CCC on
3 what that would look like.

4 We're in partnership right now with CCC at the
5 Ventura Fire Camp for the parolees. We're seeing how
6 that relationship is going. Right now it's going very
7 well. So CCC are paying parolees to participate in that
8 fire camp. So the relationship has been there with CCC,
9 but this subject about the two-for-one impacting various
10 other lower level programs, it hasn't been flushed out
11 yet.

12 MS. STEEB: Okay. So do you have an estimated
13 timeline because I -- you know, we also have tons of
14 vacant positions at PIA, right, and I know what our
15 recidivism rate is. I'm interested to see what the Cal
16 Fire participants one is, but --

17 CHAIR DIAZ: I can get you one for the next
18 board meeting.

19 MS. STEEB: Okay.

20 CHAIR DIAZ: I can get you that report.

21 MS. STEEB: Okay. Perfect. I'm sorry. I was
22 excited about this proposal. It's creative and
23 entrepreneurial and solves a lot of issues including, you
24 know, the youth at CCC who don't have -- who are trying,
25 you know, to create different futures for themselves.

1 CHAIR DIAZ: Right.

2 MS. STEEB: And so I think it's just a beautiful
3 win/win all the way around, but I appreciate the need to
4 flush it out and get more data, and I just want to make
5 sure we don't drop that, you know, off of our agenda.

6 CHAIR DIAZ: Totally understandable.

7 MS. STEEB: Okay.

8 CHAIR DIAZ: Any other questions?

9 Any updates, PIA? Mr. Pattillo?

10 MR. PATTILLO: No updates right now, but we are
11 going to move into closed session in the interest of
12 time.

13 CHAIR DIAZ: Okay. So we're going to -- I'll
14 ask if we can empty the room, and we will call you in as
15 soon as we're done with this item. Thank you.

16 (Closed session was not transcribed.)

17 CHAIR DIAZ: We're going to call the meeting
18 back to order at 11:15 from closed session.

19 During closed session, there was discussion, and
20 the Board adopted the Prison Industry Board Search
21 Committee's recommendation to offer the Prison Industry
22 Authority CEO job to Miss Amy Pataluna.

23 The Board also authorized a waiver to hire Chuck
24 Pattillo as a hired retired annuitant during this
25 transition period.

1 So moving on to action --

2 (Applause.)

3 CHAIR DIAZ: Thank you.

4 So moving on to Action Item A, approval of
5 CALPIA's proposed mid-year revised fiscal year 2018-`19.

6 Mr. Pattillo.

7 MR. PATTILLO: Good afternoon, Board Members.

8 So, as you recall, we do our budget every six
9 months most years, just to keep in line with revenues and
10 expenditures. This year, we are increasing this by 2.0
11 million from our `18/`19 annual plan.

12 Our cost of goods sold are estimated to increase
13 1.3 percent or \$2 1/2 million from our annual plan.

14 One of the big things that's going on right now
15 is we're having to put money back into the operation. We
16 anticipate in the next year that our revenues from
17 Optical will increase \$21 million dollars a year. So, as
18 we previously proved, the study money and the new
19 additions at Chowchilla, we're starting to add the new
20 positions that are associated with that. So that ate up
21 some of the -- just the small \$2 million dollar increase.
22 The \$21 million dollars comes from behind.

23 Selling and administrative expenses are expected
24 to increase about .7 or \$400,000 from 57.3.

25 And I'm working off of here, guys, page 1 in the

1 booklet.

2 As you can see, the change from the annual plan
3 is not that significant. We've actually lowered net
4 profit by about \$800,000 for the current year.

5 The major changes in the budget were the
6 positions that are dealing with Chowchilla and an
7 additional MIS position in the Valley.

8 Internally, the only budget change was an
9 allocation to Project Rebound at Sac State for \$250,000
10 as seed money to match Project Rebound funding statewide
11 with the CSUs, which is approximately an eight-to-one
12 match. The money will be used through MOU for them to
13 increase the services to returning inmates into the CSU
14 system and then also study the effectiveness of that at
15 the Sacramento campus. CSU is most likely going to get
16 matching funding eight-to-one statewide. So we'd be
17 at -- this would be a seed money operation. It will be
18 only for one year, and the only reason we're doing this
19 is we're a little bit behind on roll-outs with the
20 million dollars allocated for the counties because we've
21 been having problems getting the county programs set up.
22 They're not taking our money like we thought they would.

23 So that part of the budget is not -- there's not
24 that many changes, just minor tweaks, and the change is
25 only about \$800,000.

1 Are there any questions on the budget?

2 Motion?

3 MEMBER KELLY: Motion to accept the mid-term
4 revised budget.

5 MEMBER DAVIDSON: Second.

6 CHAIR DIAZ: I think we have to take public
7 comment before the vote.

8 MR. PATTILLO: Yes. Sorry.

9 CHAIR DIAZ: So if there's any comments from the
10 public, I would ask that you see the board secretary, and
11 if that's -- if you're going to come up, please state
12 your name and the association you're with.

13 Are there any public comments? Seeing none.

14 We have a motion and a second.

15 MEMBER SINGH: I second that.

16 CHAIR DIAZ: Okay. All in favor?

17 MR. PATTILLO: Secretary, call roll.

18 THE SECRETARY: Member Aghakhanian.

19 MEMBER AGHAKHANIAN: Aye.

20 THE SECRETARY: Member Davidson.

21 MEMBER DAVIDSON: Aye.

22 THE SECRETARY: Member Davison.

23 MEMBER DAVISON: Aye.

24 THE SECRETARY: Member Kelly.

25 MEMBER KELLY: Yes.

1 THE SECRETARY: Member Martin.

2 MEMBER MARTIN: Yes.

3 THE SECRETARY: Member McGuire.

4 MEMBER McGUIRE: Aye.

5 THE SECRETARY: Member Steeb.

6 MEMBER STEEB: Aye.

7 THE SECRETARY: Vice Chair Singh.

8 VICE CHAIR SINGH: Yes.

9 THE SECRETARY: Chair Diaz.

10 CHAIR DIAZ: Yes.

11 THE SECRETARY: Motion passes nine to zero.

12 CHAIR DIAZ: Thank you.

13 Moving on to Action Item B, "Approval of
14 Designation of Cash to Support CALPIA's Fiscal Year `18/
15 `19 Mid-Year Revised Budget Proposal."

16 Mr. Pattillo.

17 MR. PATTILLO: We're going to go to page 4, the
18 designation of cash, and the designation of cash is
19 something we've been doing for about 15 years, just
20 talking about where our liabilities are. As you recall,
21 last year, the Department of Finance transferred \$62.6
22 million from our OPEB fund and then provided language
23 that said we did not have to fund OPEB anymore. However,
24 we are allocated that cost still every year, and there is
25 a portion that we're responsible for.

1 The responsible amounts there, we are going to
2 continue to show them as a net OPEB obligation, now it's
3 \$72 million dollars, because I think it's important for
4 us to be transparent about what liabilities are out there
5 that belong to PIA, even though we're not authorized --
6 we're authorized not to fund them now, as the Department
7 of Finance has set that up. So that's how our
8 designation of cash has been set out.

9 What it shows is that the major impacts are \$10
10 million dollars in accrued leave, \$14 million dollars
11 in -- \$14.5 in workers' comp liabilities coming down, and
12 then SB 84 is actually the OPEB payback amount. And that
13 number that you see down there, if I can -- far right
14 column, SB 84, \$6.398 million, that number is going to
15 grow substantially, and that liability is going to be
16 significantly higher than that, but we need to keep it on
17 the books so we're properly showing what this agency has
18 been allocated, even though we're not required to fund it
19 anymore.

20 MEMBER STEEB: Chuck, can you explain what that
21 is, please?

22 MR. PATTILLO: SB 84 is the repayment to pay
23 back down the OPEB. So, like, we have been doing
24 previously in the other post-employment benefits, we have
25 been funding them ourselves for years and setting that

1 money aside.

2 MEMBER STEEB: Right.

3 MR. PATTILLO: And Department of Finance says,
4 no, you are going to transfer -- we're going to transfer
5 that money --

6 MEMBER STEEB: Right.

7 MR. PATTILLO: -- and you're not going to be
8 responsible for it anymore.

9 Well, they have a repayment plan; so now we're
10 having to make repayments on top of the fact that we've
11 already contributed the 62.6 million. So, you know,
12 it's --

13 MEMBER KELLY: So they took the money to put
14 aside, and now we're making -- because of this new law,
15 are we making repayments to the money we already put
16 aside? Is it going backwards, or is this moving
17 forwards?

18 MR. PATTILLO: This is on a going-forward basis.

19 MEMBER KELLY: Okay.

20 MEMBER MARTIN: I know you and I had a
21 conversation about this. Would you explain a little bit
22 as to why we are required, being that we're a separate
23 entity from -- we're supposed to be self-funded and
24 self-sufficient?

25 MR. PATTILLO: Well, up until a year ago, we

1 were completely, and we were funding all of our
2 liabilities that were required of us, but when the
3 Department of Finance said we were going to run like
4 every other state agency, which is huge holes in the
5 liabilities for the pension. It's allocated to us every
6 year, it's on the state books, but I think it's very
7 important for us to have it on our books to show that
8 we're being as transparent as possible on this.

9 Thank you.

10 CHAIR DIAZ: Any other questions from the Board?

11 MEMBER STEEB: Do they have an issue with us
12 showing it on our books?

13 MR. PATTILLO: Probably. There's no harm in
14 sunshine.

15 MEMBER STEEB: Approved.

16 CHAIR DIAZ: Is there a motion on Action Item B?

17 MEMBER AGHAKHAJIAN: So moved.

18 CHAIR DIAZ: Second?

19 MEMBER STEEB: Second.

20 MEMBER MARTIN: Second.

21 CHAIR DIAZ: Board Secretary, call the roll.

22 THE SECRETARY: Member Aghakhanian.

23 MR. AGHAKHANIAN: Aye.

24 THE SECRETARY: Member Davidson.

25 MEMBER DAVIDSON: Aye.

1 THE SECRETARY: Member Davison.

2 MEMBER DAVISON: Aye.

3 THE SECRETARY: Member Kelly.

4 MEMBER KELLY: Yes.

5 THE SECRETARY: Member Martin.

6 MEMBER MARTIN: Yes.

7 THE SECRETARY: Member McGuire.

8 MEMBER McGUIRE: Aye.

9 THE SECRETARY: Member Steeb.

10 MEMBER STEEB: Aye.

11 THE SECRETARY: Vice Chair Singh.

12 VICE CHAIR SINGH: Yes.

13 THE SECRETARY: Chair Diaz.

14 CHAIR DIAZ: Yes.

15 THE SECRETARY: Motion passes nine to zero.

16 CHAIR DIAZ: I apologize to the public. If
17 there was any comments on that, please come forward. My
18 apologies.

19 MR. PATTILLO: We're going to skip over Item C,
20 and we're going to Item D. Add regulations: Title 15,
21 Division 8.5, Section 8903, "Settlement Authority."

22 Real quick, basically, the Penal Code gives a
23 whole lot of authority to PIB. We've also talked about
24 until we put it in regulation every time, we cannot use
25 it. And so what's happened, like last year with the

1 vehicles, we would buy vehicles, but State Controller
2 said since we didn't have regulations, they wouldn't
3 reimburse our revolving fund for the vehicles we
4 purchased. Now they're saying the same thing for
5 settlement authority. As General Manager/CEO, I have
6 authority of up to \$100,000 from the Board mostly done on
7 nuisance lawsuits, workers' comp, and we report all those
8 to you quarterly.

9 The State Controller's Office has now decided
10 all of those checks we've written over the last 16
11 months, they're not going to reimburse us until we have
12 this language adopted, even though we have the Penal Code
13 authority. It's bureaucracy at its finest.

14 And our attorney is here if there's anything to
15 add to it. Otherwise, if you have any questions on this
16 one...

17 MEMBER AGHAKHAJIAN: Are we able to sue them?

18 MR. PATTILLO: Pardon me?

19 MEMBER AGHAKHAJIAN: Can we sue them for not
20 paying us back?

21 CHAIR DIAZ: That sounds good in concept.

22 MEMBER KELLY: That's the Jeff and Jeff
23 question.

24 MR. PATTILLO: It's just not worth it. So we
25 end up doing -- the Penal Code gives the Board and PIA a

1 lot of authority, but until we put it in the reg, we
2 can't use it. So this is what this is.

3 Are there any questions?

4 CHAIR DIAZ: Any questions from the public on
5 this action item? Do we have a motion?

6 MEMBER STEEB: So moved.

7 CHAIR DIAZ: Second?

8 MEMBER KELLY: Second.

9 CHAIR DIAZ: Secretary, call the roll.

10 THE SECRETARY: Member Aghakhanian.

11 MEMBER AGHAKHANIAN: Aye.

12 THE SECRETARY: Member Davidson.

13 MEMBER DAVIDSON: Aye.

14 THE SECRETARY: Member Davison.

15 MEMBER DAVISON: Aye.

16 THE SECRETARY: Member Kelly.

17 MEMBER KELLY: Yes.

18 THE SECRETARY: Member Martin.

19 MEMBER MARTIN: Yes.

20 THE SECRETARY: Member McGuire.

21 MEMBER MCGUIRE: Aye.

22 THE SECRETARY: Member Steeb.

23 MEMBER STEEB: Aye.

24 THE SECRETARY: Vice Chair Singh.

25 VICE CHAIR SINGH: Yes.

1 THE SECRETARY: Chair Diaz.

2 CHAIR DIAZ: Yes.

3 THE SECRETARY: Motion passes nine to zero.

4 CHAIR DIAZ: Action item E.

5 MR. PATTILLO: Action Item E is the add Title
6 15, Section 8.5, Section 8904, "Incentive Compensation."
7 Again, this is a guideline issue. The Board has
8 authority to set all compensation schedules, including
9 bonuses, any kind of compensation for PIA employees.
10 We're adding Section 8904 to recognize the Board's
11 authority pursuant to 2808 and 2809 to authorize and
12 approve CALPIA employee compensation when needed to
13 address low paying and hard-to-fill classifications.
14 That's what this one is specifically here for today. And
15 that's specifically stated, the authority, in 2809.

16 What this has to do with is actually with --
17 Item G is our authority to provide this differential for
18 the custodian classifications that we're asking for
19 that's two away from this. Again, we have the authority
20 in the Penal Code to do this. We just need to put it in
21 the regulation. That actually affects all levels, not
22 just the hard-classified 1. So our action in closed
23 session was actually based on this authority.

24 MEMBER KELLY: Motion we adopt Item E.

25 CHAIR DIAZ: Any comments from the public?

1 Hearing none.

2 We have a motion.

3 MEMBER MARTIN: I second.

4 CHAIR DIAZ: All right. Call the roll.

5 THE SECRETARY: Member Aghakhanian.

6 MEMBER AGHAKHANIAN: Aye.

7 THE SECRETARY: Member Davidson.

8 MEMBER DAVIDSON: Aye.

9 THE SECRETARY: Member Davison.

10 MEMBER DAVISON: Aye.

11 THE SECRETARY: Member Kelly.

12 MEMBER KELLY: Yes.

13 THE SECRETARY: Member Martin.

14 MEMBER MARTIN: Yes.

15 THE SECRETARY: Member McGuire.

16 MEMBER MCGUIRE: Aye.

17 THE SECRETARY: Member Steeb.

18 MEMBER STEEB: Aye.

19 THE SECRETARY: Vice Chair Singh.

20 VICE CHAIR SINGH: Yes.

21 THE SECRETARY: Chair Diaz.

22 CHAIR DIAZ: Yes.

23 THE SECRETARY: Motion passes nine to zero.

24 CHAIR DIAZ: Action Item F.

25 MR. PATTILLO: F is Department Operations Manual

1 Section 5110.3, Article II, "Administrative Officer of
2 the Day."

3 We are bringing AOD responsibilities to the
4 attention of the Board and asking them to approve
5 requesting CDCR to change the DOM, removing CALPIA
6 employees (PIM managers and administrators) from
7 responsibility to perform the AOD, administrative officer
8 of the day, duties.

9 We wish to avoid the exposure to liability from
10 AOD duties, and we do not believe CALPIA have the
11 necessary experience or training to perform these duties.

12 Now, AOD is -- on the weekends you're the
13 acting warden, technically, if there is an issue that
14 comes up. But we've been -- they've been giving that
15 duty to administrators and PIMs. Since we are a
16 different organization, a questionable call by a PIA
17 employee can put PIA at risk. So we're asking to be
18 pulled out of that service and not have to perform that.

19 I use the example of -- you know, we're
20 pragmatic. So at DVI, we had an inmate that walked away
21 and was in the cornfield. And the protocol is, as you
22 remember, DVI, you call out internal resources, external
23 resources, sheriff, Highway Patrol, and then you bring in
24 the helicopter. Our guy, being pragmatic, decided to
25 light the field on fire and thought that was a more

1 expeditious way to do this. So it's those kind of
2 things -- our folks aren't trained for this, but they
3 know how to get 'er done.

4 So that is our reasoning for having us pulled
5 out of this. It does put us at a significant risk.

6 Any questions on this one?

7 MEMBER McGUIRE: I just have a procedural
8 question. So this is the CDCR operations manual, but it
9 goes to the Office of Administrative Law to change the
10 section?

11 MR. SLY: Not in the DOM. We're going to submit
12 that to CDCR and have them change their DOM. This is not
13 a regulation; this is part of the CDCR department --
14 department's operating manual.

15 MEMBER McGUIRE: Okay.

16 MR. SLY: So this one won't go to the Office of
17 Administrative Law.

18 THE REPORTER: Can you speak up for me?

19 MEMBER McGUIRE: My question was whether this
20 requires the Office of Administrative Law review because
21 that's what it said in the recommendation (inaudible).

22 MR. SLY: That was probably an error.

23 MEMBER McGUIRE: That was incorrect, apparently.

24 CHAIR DIAZ: Any questions or comments from the
25 public?

1 Is there a motion?
2 MEMBER SINGH: I move.
3 CHAIR DIAZ: Motion by Mr. Singh.
4 Second?
5 MEMBER AGHAKHANIAN: Second.
6 CHAIR DIAZ: Second.
7 Call the roll.
8 THE SECRETARY: Member Aghakhanian.
9 MEMBER AGHAKHANIAN: Aye.
10 THE SECRETARY: Member Davidson.
11 MEMBER DAVIDSON: Aye.
12 THE SECRETARY: Member Davison.
13 MEMBER DAVISON: Aye.
14 THE SECRETARY: Member Kelly.
15 MEMBER KELLY: Yes.
16 THE SECRETARY: Member Martin.
17 MEMBER MARTIN: Yes.
18 THE SECRETARY: Member McGuire.
19 MEMBER MCGUIRE: Aye.
20 THE SECRETARY: Member Steeb.
21 MEMBER STEEB: Aye.
22 THE SECRETARY: Vice Chair Singh.
23 VICE CHAIR SINGH: Yes.
24 THE SECRETARY: Chair Diaz.
25 CHAIR DIAZ: Yes.

1 THE SECRETARY: The motion passes nine to zero.

2 CHAIR DIAZ: Action Item G.

3 MR. PATTILLO: Action Item G, members, is
4 Approval of CALPIA's Proposed Pay Increase for the Health
5 Care Facilities Maintenance Custodial Classifications.

6 We have approximately 562 custodians statewide
7 that supervise 1,500 inmates doing custodial services and
8 facilities maintenance at all facilities statewide.

9 It is the hardest classification that we -- for
10 recruiting for us. Part of it is the pay level is so
11 low. For three years running, we've been requesting
12 CalHR to raise it up 20 percent. Given the Board has
13 authority for pay increase and setting differential, our
14 proposal is a 10 percent differential for custodian
15 classes to ease in our recruitment efforts. This would
16 be a cost of \$1.3 million dollars to PIA. Based on what
17 we see with our financials, we can absorb it. As a
18 matter of fact, the budget already had it built in. So we
19 would be absorbing the cost. It's not a cost we're
20 passing on to CDCR in a contract at all.

21 This classification, I think five years ago,
22 members, when we took over HFM, if I'd known how much
23 trouble it was going to be, I may have had a different
24 vision of it, but it is hard to recruit, it's hard to
25 discipline, and we have a lot of discipline issues that

1 happen because the pay is so low that people run into
2 troubles with doing things they shouldn't do. It's --
3 those of you who have been wardens, you kind of get where
4 that goes.

5 I think -- if I --

6 Yes, ma'am.

7 MEMBER STEEB: So let me just ask why we
8 wouldn't contract more with -- oh, my gosh -- up in
9 Roseville.

10 MR. PATTILLO: PRIDE.

11 MEMBER STEEB: PRIDE, yes.

12 MR. PATTILLO: PRIDE pays higher than we do.

13 MEMBER STEEB: Right.

14 MR. PATTILLO: And the agreement in the budget
15 was that they would reduce the reliance on PRIDE, and
16 they would --

17 MEMBER STEEB: Whose agreement was that?
18 CDCR's?

19 MR. PATTILLO: That was the Governor's Office
20 and SEIU. They would reduce the reliance on PRIDE
21 because they were running the Stockton health care
22 facility, and we didn't want to take it over because
23 there's no inmates for us to employ down there. So it's
24 really just a staffing model down there. So we have no
25 ability to contract out for this service, technically.

1 MEMBER DAVISON: Was PRIDE teaching the inmates
2 as well or just performing the service?

3 MR. PATTILLO: No, PRIDE was solely doing
4 janitorial work. They had nothing to do with
5 supervision. And their workforce is an at-risk
6 population also. And I actually don't think it's a great
7 mix down at CHCS.

8 MEMBER STEEB: Okay.

9 MR. PATTILLO: But we're doing some minimal
10 stuff down there.

11 MEMBER STEEB: Okay.

12 MEMBER MARTIN: Then you mentioned that it's
13 already included in the budget. Is that in the mid-year
14 budget that we approved?

15 MR. PATTILLO: Yes.

16 MEMBER MARTIN: So that \$1.3 you just talked
17 about --

18 MR. PATTILLO: It's already in the budget.

19 MEMBER KELLY: Did you say we have 500 and
20 something custodians?

21 MR. PATTILLO: 562.

22 MEMBER McGUIRE: Do you think ten percent is
23 really going to make a difference?

24 MR. PATTILLO: I do.

25 MEMBER McGUIRE: If the pay is so low, 10

1 percent is pretty low.

2 MR. PATTILLO: It's \$3,000 a year. I mean,
3 we've been requesting 20 percent from Cal HR. It's a
4 ridiculously low classification series, and I don't know
5 what the reasonableness of not increasing it is. The
6 benefits are worth more than the pay raise to us.

7 MEMBER MARTIN: Roughly \$1.50 an hour.

8 CHAIR DIAZ: Any other questions from the Board?
9 Questions from the public?

10 MEMBER DAVISON: How many vacant positions do we
11 have?

12 MR. PATTILLO: We were running at about 31
13 percent. We're down to 26 right now. But it fluctuates
14 up and down. I mean, we spend a lot of money on
15 recruiting. We do more recruiting than any agency
16 does.

17 MEMBER MARTIN: Can you expand a little bit on
18 how many disciplinary cases you have on a -- monthly,
19 yearly because of the low pay?

20 MR. PATTILLO: Before I took on HFM, we had zero
21 cases per month. I'm serious.

22 MEMBER MARTIN: Now what do we have?

23 MR. PATTILLO: I have three a month at a
24 minimum. And, you know, it's -- I hate to say, it is
25 what it is. You worked in the system.

1 CHAIR DIAZ: I think more work can go in on the
2 institution's side, bringing the staff in. I know
3 there's a thought, well, those are PIA employees, but in
4 the end, once you show your card, you're in, you're an
5 institutional -- a worker. At the institution level,
6 they need to be brought in more to explain, you know,
7 checks-in from time to time. I know PIA does a great job
8 managing employees, but there's a custodial side, too,
9 that has to be addressed with the employees.

10 MR. PATTILLO: And don't get me wrong. The HFM
11 program is probably the best thing that ever happened to
12 us because now it gave us an opportunity to recruit a
13 bunch of people that we might not have had before, and we
14 can bring them over on the industrial side. So we have a
15 lot of folks who are moving up through that side, but
16 it's just a lot of work. It really is work. It's 25
17 percent of our revenues, and it's -- you know, it's 45
18 percent of our employees. So it does have a -- it was a
19 handful.

20 Public comment?

21 CHAIR DIAZ: Questions from the public on this
22 matter? We have one.

23 THE SECRETARY: Please come forward to the
24 podium, and if you can say and spell your name and
25 mention your organization, that would be great.

1 MARIA PATTERSON: Good afternoon. I am Maria
2 Patterson, M-A-R-I-A P-A-T-T-E-R-S-O-N, and I'm actually
3 the chair of SEIU Local 1000 for Allied Workers Unit 15.
4 I am PIA custodian's chair, and I am here.

5 They're caught in a very unique situation
6 because they are custodians, but then they also have to
7 supervise inmates, and they also have to clean at some
8 type of hospital level. So it's a combination of
9 learning and moving forward, and if we want to keep them
10 on board, we need more money because I realized the
11 classification is low for the State of California, and
12 that's why I'm here. I'm here to support the motion to
13 move forward.

14 Thank you.

15 CHAIR DIAZ: Thank you.

16 MEMBER MARTIN: Thank you, Maria.

17 CHAIR DIAZ: Any other public comment?

18 Seeing none.

19 Is there a motion?

20 MEMBER KELLY: Motion to adopt.

21 MEMBER AGHAKHAJIAN: Second.

22 CHAIR DIAZ: Motion. Second.

23 Secretary, call the roll.

24 THE SECRETARY: Member Aghakhanian.

25 MEMBER AGHAKHANIAN: Aye.

1 THE SECRETARY: Member Davidson.
2 MEMBER DAVIDSON: Aye.
3 THE SECRETARY: Member Davison.
4 MEMBER DAVISON: Aye.
5 THE SECRETARY: Member Kelly.
6 MEMBER KELLY: Yes.
7 THE SECRETARY: Member Martin.
8 MEMBER MARTIN: Yes.
9 THE SECRETARY: Member McGuire.
10 MEMBER MCGUIARE: Aye.
11 THE SECRETARY: Member Steeb.
12 MEMBER STEEB: Aye.
13 THE SECRETARY: Vice Chair Singh.
14 VICE CHAIR SINGH: Yes.
15 THE SECRETARY: Chair Diaz.
16 CHAIR DIAZ: Yes.
17 THE SECRETARY: Motion passes nine to zero.
18 CHAIR DIAZ: Thank you.
19 We're going to move on to our information items.
20 We have an Industry Employment Program, fiscal
21 `18/`19 first quarter.
22 MR. PATTILLO: We have one information item, and
23 I am presenting on behalf of Mr. Fitch in the Workforce
24 Development branch.
25 We're going to H, Section H, and we have the

1 charts as we go through there. I'm going to pull them
2 out.

3 Members, this is, again, one of those things
4 that we've talked about over the years that we're trying
5 to consolidate what we're studying and the reason why
6 we're tracking, but our biggest issue is just tracking
7 numbers, trends, whatnot.

8 Most notable here was the decrease in
9 industry-related lost hours. On the first quarter
10 accredited certifications, we were -- 3,895 enrolled,
11 3,660 were closed out. We're lowering our numbers of
12 offenders that are not completing programs, and part of
13 that is an overall emphasis that we've hired 29 retired
14 annuitants to work committee for us and make sure the
15 right inmates are coming into our program so we can have
16 folks that are going to be there longer term.

17 Our first quarter certificates of proficiencies:
18 86 offenders received a certificate of proficiency.

19 And then our apprenticeship programs: 80
20 offenders were reregistered in the first quarter into
21 state apprenticeship programs, bringing the total
22 registration of offenders for state apprentices to 569.

23 On November 14th, we awarded 53 apprenticeships
24 at Folsom State Prison. And you will see us offering
25 more throughout the state. Now, the apprenticeship

1 program that we're running there, this is a state
2 apprentice. This is different from the apprenticeship
3 programs that we do with Mr. Kelly and State Trade. This
4 is a state-sanctioned one, 2,000/8,000 hours. That's
5 transferable, and it's a government-offered
6 apprenticeship.

7 On that, I don't have any more on that. Any
8 questions on that?

9 CHAIR DIAZ: Seeing none.

10 Any questions from the public on this?

11 Seeing none.

12 Since this is informational, there's no vote on
13 this.

14 Okay. Thank you, Mr. Pattillo.

15 So we will move on to our external affairs
16 update, Michele Kane.

17 MS. KANE: Good morning, board members. I'm
18 Michele Kane, Chief of External Affairs.

19 I would like to highlight some of the events
20 that have taken place since our last board meeting in
21 October. In November, as Chuck mentioned, we held an
22 apprenticeship ceremony. Fifty-three offenders were
23 recognized with full apprenticeships. These are
24 full-scale apprenticeships. We partnered with DIR,
25 Department of Industrial Relations. We also partner with

1 the U.S. Department of Labor. So this is a big thing for
2 CALPIA. This month we held a rededication of the Leonard
3 Greenstone Memorial Marine Technology Training Center,
4 and that was held at CIM. Secretary and Chair Ralph Diaz
5 was the keynote speaker at the event, along with Chuck
6 Pattillo here, Warden Dean Borders. Phil Newsom was
7 there. He's the executive director of the Association of
8 Diving Contractors International. We partner with them.

9 Also, we heard from Jeremy Moose. He's the
10 success story working in the industry after graduating
11 from the program. We had five returned graduates who
12 were there, and they encouraged these men. They are all
13 working in the industry. Some of them are working out on
14 the oil platforms. They are doing amazing work, and they
15 just provided encouragement to all of them.

16 We received a lot of press from this event. We
17 were featured on Fox in L.A. -- I believe I sent that off
18 to all of you -- as well as CNN covered the event, and we
19 will see that in January.

20 We are now busy working on the report to the
21 legislature, and that report is going to be coming out in
22 January. That will be before you on January 25th at our
23 next board meeting.

24 And with that, happy holidays, Merry Christmas,
25 and that's it for me.

1 MR. PATTILLO: Our board meeting in January will
2 be to do the legislative report, and actually we're
3 having a formal lunch after at 12:00 o'clock, at 12:00
4 o'clock on that same day at the (inaudible) factory.
5 It's our largest indoor space.

6 MEMBER KELLY: Why do we need such a big space?

7 MR. PATTILLO: Huh?

8 MEMBER KELLY: Why do we need such a big space?

9 MR. PATTILLO: My ego.

10 MS. KANE: We are honoring Chuck.

11 CHAIR DIAZ: Thank you, Michele.

12 This is the portion of the meeting where if
13 there's any public comment out there before we adjourn on
14 matters.

15 Seeing none.

16 I do want to thank CSP Corcoran for their
17 hospitality, Warden Jaime Perez, and I want to thank SATF
18 for their hospitality in seeing us, Chief Deputy Warden
19 Cisneros. So thank you very much.

20 Is there a motion to adjourn?

21 MEMBER AGHAKHAJIAN: Move.

22 MEMBER SINGH: Second.

23 CHAIR DIAZ: Move, second.

24 THE SECRETARY: This meeting concludes at 11:41
25 A.M.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIR DIAZ: Thank you.

(The proceedings concluded at 11:41 A.M.)

1 STATE OF CALIFORNIA)
) ss
2 COUNTY OF TULARE)

3

4

5

6 I, TAMARA L. MENDOZA SUMPTER, Certified

7 Shorthand Reporter,

8 DO HEREBY CERTIFY:

9 That I was present at the time of the
10 proceedings in the case as entitled on the title page
11 thereof; that I took down in shorthand all of the
12 testimony given and proceedings had; and I further
13 certify that the foregoing and annexed pages comprise a
14 full, true, and correct transcript of my said shorthand
15 notes.

16

17

18 Dated: December 27, 2018

19

20

21

22

23

24

25