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CALIFORNIA PRISON INDUSTRY AUTHORITY

BOARD MEETING

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REPORTER'S TRANSCRIPT OF THE  
PRISON INDUSTRY BOARD MEETING

WEDNESDAY, DECEMBER 16, 2020

10:00 A.M.

ZOOM/TELECONFERENCE MEETING

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Reported by: ANN R. LEITZ, CSR NO. 9149

1 APPEARANCES

2  
3 Jeff Macomber, Board Chair

4 Darshan Singh, Vice-Chair

5  
6 BOARD MEMBERS:

7 Armond Aghakhanian

8 Dawn Davison

9 Brent Jamison

10 Mack Jenkins

11 Bob Jennings

12 Curtis Kelly

13 Felipe Martin

14 Troy Vaughn

15 Kathleen Webb

16  
17 EXECUTIVE OFFICER:

18 Scott A. Walker

19  
20 BOARD SECRETARY:

21 Jessica Murray

22  
23 ALSO PRESENT:

24 Suzie Changus

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1 PROCEEDINGS

2 Wednesday, December 16, 2020, 10:00 a.m.

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4 BOARD CHAIR MACOMBER: Good morning Everybody. I call  
5 this meeting of the Prison Industry Board to order at  
6 10:01 a.m.

7 I would like to welcome Board Members and Attendees  
8 and thank you for being here today for today's Prison Industry  
9 Board Meeting.

10 I would like to note that, in light of the State's  
11 recommended social distancing measures, this Board Meeting is  
12 being conducted via teleconference pursuant to provisions  
13 outlined in Executive Order N-29-20.

14 If any members of the public who are on the line right  
15 now would like to comment, you will have the chance to  
16 comment, reach out and just present it to the Board. You can  
17 also, at the end of the meeting, after the presentation of the  
18 Agenda Items. We will give out further instructions on how to  
19 raise your hand and let the organizer know you would like to  
20 speak. Each speaker will be limited to two minutes for public  
21 comment. I would request everyone announce your full name and  
22 affiliation, if necessary, before speaking so there is no  
23 confusion.

24 We will begin by asking the Board Secretary to please  
25 call the roll.

1 BOARD SECRETARY MURRAY: Thank you. Chair Macomber?  
2 BOARD CHAIR MACOMBER: I'm here.  
3 GENERAL MANAGER WALKER: Vice-Chair Singh? Mr. Singh,  
4 I think you're on mute. Can you unmute yourself? He is  
5 trying to unmute himself. He is on the line.  
6 Member Aghakhanian?  
7 BOARD MEMBER AGHAKHANI: Present.  
8 BOARD SECRETARY MURRAY: Thank you. Member Davison?  
9 BOARD MEMBER DAVISON: Here.  
10 BOARD SECRETARY MURRAY: Member Jamison?  
11 BOARD MEMBER JAMISON: Present.  
12 BOARD SECRETARY MURRAY: Thank you. Member Jenkins?  
13 BOARD MEMBER JENKINS: Present.  
14 BOARD SECRETARY MURRAY: Member Jennings?  
15 Mr. Jennings, can you unmute yourself?  
16 BOARD MEMBER JENNINGS: Present.  
17 BOARD SECRETARY MURRAY: Thank you. Member Kelly?  
18 BOARD MEMBER KELLY: Present.  
19 BOARD SECRETARY MURRAY: Member Martin?  
20 BOARD MEMBER MARTIN: Here.  
21 BOARD SECRETARY MURRAY: Member Vaughn?  
22 BOARD MEMBER VAUGHN: Present.  
23 BOARD SECRETARY MURRAY: And Member Webb?  
24 BOARD MEMBER WEBB: Present.  
25 BOARD SECRETARY MURRAY: Thank you very much. Let the

1 record show that we have a quorum of 11 members.

2 BOARD CHAIR MACOMBER: Thank you. Now I would like to  
3 open up the floor for opening remarks from the Board Members.  
4 Would any Board Member like to share any opening comments?

5 BOARD MEMBER MARTIN: Yes. Hi, this is Felipe Martin,  
6 Board Member Martin.

7 I just wanted to say thank you very much to Scott for  
8 agreeing to stay on and continue on with the Board during  
9 these unprecedented times. It takes a lot of courage and a  
10 lot of dedication, and, obviously, he didn't have to do it.  
11 He has more than enough time to retire. But he willingly  
12 accepted the task and continues to accept the task and drive  
13 the projects forward and really keep everyone working  
14 together. So, you know, that's a true leader. And I just  
15 want to say thank you very much, Scott, personally for doing  
16 it, and I believe the entire Board feels the same way. So  
17 thank you.

18 BOARD MEMBER JENNINGS: Absolutely.

19 BOARD MEMBER JENKINS: Absolutely. Well stated,  
20 Felipe.

21 GENERAL MANAGER WALKER: Well, I thank you, Felipe. I  
22 certainly appreciate the Board's confidence and support, and  
23 the organization as well. They're doing great work together  
24 through this pandemic, so I appreciate the recognition. Thank  
25 you.

1 BOARD CHAIR MACOMBER: Hearing no other comments, I  
2 echo Mr. Martin's comments, and appreciate those. We're all  
3 very appreciative of Scott staying on.

4 We will now move onto the General Manager's Comments.

5 GENERAL MANAGER WALKER: Good morning, Chair and Board  
6 Members. You know, I just want to kind of give everybody an  
7 update, and that's really what the Mid-Year is about, and just  
8 us trying to make sure that we're touching base with the  
9 Board. And in the process, you know, allows ourself to go  
10 back and kind of look at where we're at.

11 I will tell you that somewhat surprisingly, maybe, to  
12 some degree and not surprising the fact that staff are doing  
13 all the right things to get us in the right place, but the  
14 organization has been able to pivot through this whole  
15 pandemic and really keep our head above water. So Mid-Year is  
16 a chance for us to kind of reflect on that, adjust the budget.  
17 Obviously, we're focused on reducing expenditures, which you  
18 will see in this budget when Mr. Davidson gets up here and  
19 presents that, to keep CALPIA whole.

20 And so, I just want to, you know, recognize the work  
21 that the folks at PIA have done. Without them, we obviously  
22 couldn't be where we are right now. Leadership is one thing;  
23 execution is another. They execute flawlessly on this.

24 Bill will talk a lot about the Mid-Year numbers. The  
25 revenue, obviously, is down. I don't expect that to rebound

1 anytime soon. As you all know, probably 66 percent of our  
2 revenue is coming from CDCR, and the reduction of population  
3 there to try to address some of the Covid issues that is going  
4 to reduce those revenues. I think what we're planning right  
5 now is a reduction of about 11 million from the Annual Plan.

6 Again, we're in -- we're still on firm ground. The  
7 organization is still whole. I plan to keep it that way. But  
8 there is some significant challenges ahead. I think I sent a  
9 memo out to everybody laying out the fact that we were on the  
10 two-week modified program. That now has been extended to, I  
11 think, five weeks in total. And that's really to get Covid  
12 under control. And then, we can talk some more about that.

13 But the spread inside the institution, obviously, is  
14 always a concern, and so, it's going to force us to do the  
15 right thing, to modify programs, and have an approach to try  
16 to do everything we can to minimize that spread, but there's  
17 obviously going to be an impact as well to PIA, and we're just  
18 going to have to navigate through that.

19 The Designation of Cash will also be presented today,  
20 and it is also headed in a good direction. It appears that if  
21 we -- if the plan holds -- and, again, there's a lot of road  
22 between now and the end of the fiscal year that we have got to  
23 cover and a lot of bumps and a lot of twists and turns. But  
24 it looks like we end the fiscal year, the best we can tell  
25 right now, about 42.7 million, which is about 4.5



1 million-dollar increase.

2           Just for some perspective there, my comfort level with  
3 this organization is usually around 40 million. And so,  
4 that's another encouraging milestone, benchmark to me, that  
5 Bill will also be sharing with you.

6           The other thing I want to take some time today and  
7 have the Board also just recognize the tremendous work that  
8 staff has done, and so -- you know, we can't recognize  
9 everybody, unfortunately. We try to do that daily. But these  
10 are some examples of folks in this organization that have just  
11 gone above and beyond during this process and really knocked  
12 it out of the park to get us and keep us where we're at.

13           The Report to the Legislature also -- you should all  
14 have a copy of that. You should have got a new PDF version.  
15 And the change in the PDF version really is a title change.  
16 And so, PIA is going to move off the term "Offender" and move  
17 to "Incarcerated Individual." And after thinking about that  
18 and having some conversations, it made complete sense. And  
19 then I found out from the smart people in Corrections across  
20 the country that I think that we're the only state in the  
21 country that actually uses that term.

22           I think that words matter, titles matter. The  
23 confidence of our individuals going through our program  
24 matters. So I think that's just one more step this  
25 organization is taking to move ourselves forward from that

1 notion. So everything that we put out from now on will have  
2 "Incarcerated Individuals," at least for the foreseeable  
3 future. And the first thing this Report of the Legislature is  
4 changing out the PDF. Everything else in that document is the  
5 same. And so, we'll move through that as well.

6 The next PIB meeting is going to be in late January,  
7 early February. That's to talk about just some of the next  
8 steps, the housekeeping of the organization after we get  
9 through this midyear.

10 So with that, I would be glad to answer any questions  
11 you all might have.

12 BOARD MEMBER MARTIN: So, Scott, I have one question  
13 real quick, if you don't mind?

14 GENERAL MANAGER WALKER: Yep.

15 BOARD MEMBER MARTIN: On the Furniture. And I know  
16 you, in the budget, you estimated 4.7 million decrease in  
17 Furniture based on current sales and teleworking.

18 But how does -- how is it going to be impacted going  
19 forward? I know the State is considering really doing the  
20 teleworking on a permanent basis and reducing some of their  
21 offices.

22 So how much do we really sell, as far as Furniture, to  
23 the State and, you know, if they do reduce it even more, how  
24 will that impact us?

25 GENERAL MANAGER WALKER: Furniture is going to

1 definitely be impacted. There's a lot of bright spots there,  
2 in the sense that the State is moving largely from a leased  
3 space to owned space in the next couple of years. So there's  
4 some opportunities there. It certainly can be reconfigured,  
5 it can be a different footprint, it can be a different look.  
6 But I do expect our key issues, our additional Furniture lines  
7 are going to continue to be impacted.

8           And so, Felipe, I don't think that that's something  
9 that's going to come back anytime soon. It's much like the  
10 spin on the CDCR for the inmate population, the food, the  
11 clothing, the shoes. We're going to have to figure out how to  
12 pivot from that. And part of me is, we're having  
13 conversations with other correctional industries across the  
14 state. I had one the other day specifically related to  
15 Furniture, and what does that next thing look like? We're  
16 talking about barriers, you know, we're talking about -- you  
17 mentioned the cubicle. We're talking about hoteling stations  
18 and things like that. Because we're going to have to pivot  
19 off -- the case good marketing moving forward. That's one of  
20 the things we're hoping.

21           Quite frankly, Furniture and everything else, I mean,  
22 part of this process that we're going through, we also have to  
23 keep one eye on at least -- a good eye on how do we move this  
24 organization forward, right? How do we go to that next thing?  
25 What is that next thing? I talked a little bit to some of you

1 about having an enterprise that looks at people's license  
2 plates that aren't read well during the transit process,  
3 bridges and all that. Colorado is doing some of that. And  
4 so, in all of those states -- and furniture is one of them --  
5 the PIA has got to mature, they've got to pivot, we've got to  
6 figure out what is the next opportunity there, so we can start  
7 to re-purpose those factories. I don't -- I think furniture  
8 is going to be down the one bright spot in there, even with  
9 the at-home work, is probably going to be the chair market,  
10 because people are still procuring chairs for people to use at  
11 their home office. But outside of that, yeah, I think we're  
12 going to struggle. We're going to struggle, I believe, in the  
13 furniture arena. And that may be -- not maybe -- that is  
14 something we're going to look at very hard over the next few  
15 months to figure out, you know, what does that next step look  
16 like? You know, that's a good point and we're kind of  
17 focusing on that to figure out how we pivot in that space.

18 BOARD MEMBER MARTIN: Thank you very much. So it  
19 sounds like you're redesigning some of the Furniture to  
20 accommodate kind of what we're going to have to do in the  
21 office setting, so that's great. And it's great to hear  
22 you're definitely staying ahead of it. So thank you.

23 GENERAL MANAGER WALKER: Absolutely, Mr. Chair, I'll  
24 turn it back over to you.

25 BOARD CHAIR MACOMBER: Thank you, Mr. Walker.

1           At this time, the Board will now recess for a closed  
2 session pursuant to Government Code Sections 11126(e)(1). The  
3 Board will meet in closed session to discuss pending  
4 litigation. The Host will place the Board Members into a  
5 break-out room where they will meet separately. To ensure  
6 that all members have joined on the break-out room, I will ask  
7 the Board Secretary to call the roll once again and then will  
8 be excused prior to discussions.

9           When Closed Session is complete, the members will join  
10 back into the regular meeting. Board Secretary, go forth.

11           BOARD SECRETARY MURRAY: Okay. So we're just going to  
12 ask everyone to join the Closed Session. I can see we just  
13 sent out the request. So if you can just join that for me,  
14 and then we'll all see you in the break-out room.

15           (Off the record at 10:16 a.m.)

16           (Resumed at 10:39 a.m. )

17           BOARD CHAIR MACOMBER: All right. The meeting is now  
18 reconvened. For the record, the Board discussed pending  
19 litigation.

20           We will now move onto our meeting Items, starting with  
21 Action Item A, Approval of CALPIA's Proposed Mid-Year Revise  
22 for Fiscal Year 20-21.

23           Mr. Walker, Action Item A, please.

24           GENERAL MANAGER WALKER: Thank you, Chair.

25           So here to present the Action Item is William

1 Davidson, our Chief Financial Officer.

2 CHIEF EXECUTIVE OFFICER DAVIDSON: Good morning,  
3 Chairman Macomber, Board Members.

4 First of all, happy holidays to everyone. It's just  
5 nice to be with everyone today. And I do have to say,  
6 Mr. Jennings, I really like your hat, so... (Laughter)

7 As Mr. Walker indicated today, I'll be presenting for  
8 your consideration approval of Fiscal Year 20-21 Mid-Year  
9 Revision of CALPIA's Financial Plan.

10 And just as kind of a high-level summary to start  
11 with, as was mentioned earlier, the Mid-Year Revise projects  
12 revenue of \$242 million and Costs Of Goods Sold of  
13 \$184.6 million, which leaves a gross profit of \$57.4 million.

14 And then, adding to that, our total Selling and  
15 Administrative costs including Distribution, Transportation,  
16 the anticipated payoffs of leave Balances and Non-Operating  
17 Revenues totals \$52.9 million, which leaves a bottom line net  
18 gain of just under four-and-a-half million dollars.

19 So, now, I'm just going to dive in a little bit more  
20 into each of those areas. So, again, as was mentioned  
21 earlier, Revenue Projection for Mid-Year Revise is \$242  
22 million, which is \$11.6 million less than what we had for  
23 Annual Plan. Going a little bit on some of the specific  
24 enterprises and the changes there. And I know Furniture has  
25 already been mentioned, but that's the largest decrease is the

1 \$4.7 million reduction in Furniture and, for similar reasons,  
2 a two-and-a-half million dollar reduction in Metal Products.

3 Then we have Meatcutting and Poultry; both have a \$3  
4 million reduction in revenue, and Dairy has a \$1.9 million  
5 reduction in revenue. And the reason behind that is,  
6 primarily, the reduction in the CDCR incarcerated person  
7 levels as well as some changes to the CDCR menu. And then,  
8 finally, Laundry has a reduction again because of the  
9 reduction in population of a million-and-a-half dollars.

10 On the bright side, a couple of enterprises where we  
11 actually have a revenue increase at Mid-Year Revise, General  
12 Fabrication has an increase of about \$2 million due mostly to  
13 new DGS building projects. Optical has an increase of about a  
14 million-and-a-half dollars, which is due to the retention of  
15 the adult benefits.

16 GENERAL MANAGER WALKER: I just want to emphasize  
17 Optical for a minute. So I apologize, Bill.

18 I want to give everybody a perspective on how Covid is  
19 impacting us, and Optical is a good example of that.

20 We are doing everything we can to protect staff and  
21 offenders, and part of that is the opening and closing of  
22 enterprises. And one of the biggest challenges we've got out  
23 there is supplying optical devices to the Medi-Cal patients,  
24 and we're really struggling there. We're pulling out all of  
25 the stops to try to do that, but we obviously had to close

1 enterprises when they're in outbreak. We have seven backup  
2 labs. We've created satellite labs in the factory, providing  
3 things, further process. And so, we're doing a lot of stuff  
4 in that space, but it is a significant challenge.

5 And I will just tell you that this is one of those  
6 areas that we will garner some attention from the provider  
7 community because of that struggle, and so, we are getting  
8 that attention. I think there were some conversations  
9 yesterday about it. We are doing everything we can in that  
10 space, but it's going to be a challenge for this organization  
11 to navigate those waters and get to the other side of that  
12 effectively, safely.

13 I would also just mention that, you know, that we've  
14 reached out to almost every manufacturer that we can find a  
15 phone number for, including Vision Service Plan; the plan was  
16 right here in Rancho Cordova, and also try to partner with  
17 them. I will tell you that they're all going through the same  
18 challenges that we have in Optical, but I don't want people --  
19 I want to make sure you're all aware of the fact that we are  
20 struggling vitally to get that -- check those boxes and get  
21 those products out and we're doing everything we can.

22 That will continue to be a significant challenge as we  
23 go through this Covid proposition, so I just want to make that  
24 point for everybody.

25 BOARD MEMBER DAVISON: Scott, question? Are you



1 saying it is because we don't have enough population to work  
2 in the enterprises because of Covid?

3 GENERAL MANAGER WALKER: Absolutely. Absolutely. So  
4 the population, the social distancing, all of those things are  
5 impacted.

6 Now, the good thing there is that we've done a lot of  
7 automation over the years, and so, we're able to at least make  
8 a dent in it, for lack of a better term. But, right now,  
9 we're still swamped. We're getting in more Medi-Cal orders  
10 than we're sending out. And so, part of this is we created  
11 that satellite operation at VSP, we're working at CCWF now.  
12 In Solano, we're going to create a satellite operation there.

13 And the notion there really is to -- because of social  
14 distancing, we can only put so many in the factory. Covid has  
15 obviously impacted that. I think the -- Optical lab using, to  
16 put in perspective, normally has over 100 assignments. I  
17 think yesterday we talked and they were at 14 offenders in the  
18 program.

19 And so, we're trying to put those satellite labs --  
20 and, primarily, for the insertion -- putting the lens into the  
21 glasses in a satellite location so that we can pull off of  
22 different yards where the infection may not be previsible,  
23 right. And so, just navigating all that stuff is a monumental  
24 task, kudos to the Optical folks. They're doing everything  
25 they can conceivably do to meet that challenge, but it is a

1 significant challenge. And, you know, obviously, Optical is a  
2 very important enterprise for PIA, not just for the revenue,  
3 but for the offender training and the success story when they  
4 get out.

5 I just want to make sure everybody -- it's a good  
6 example of the hurdles this organization is having to get over  
7 to maintain the most -- the enterprise items, the recidivism  
8 and corrections side and the business side, and so, I just  
9 wanted to give you guys kind of a peek into some of the  
10 mechanics that are going on in these enterprises. And that's  
11 not using Optical. We're doing those same creative,  
12 innovative, thoughtful -- you know, I tell everybody something  
13 that seems crazy today will seem normal in about two days from  
14 now. Just stick with me for a minute.

15 But they're killing it, but Optical is a good example  
16 that will give you a view into our world right now where it's  
17 all hands on deck and we're throwing them everything we can at  
18 these situations to do it safely but still be responsive to  
19 our customer needs.

20 BOARD MEMBER KELLY: Scott, this is Curtis Kelly.  
21 With all these satellite operations being sprung up, are we  
22 still following our security protocols? Because I would  
23 rather be late in sending out a pair of eyeglasses than what  
24 we went through with the last fiasco when we had information  
25 going outside the prison walls, so ... Are we following

1 those?

2 GENERAL MANAGER WALKER: Good to see you. Been  
3 awhile. You look well.

4 So, yes, absolutely. So all of these security  
5 protocols are really done in the annex. So that part hasn't  
6 changed. We're not adding annex space. We're not moving  
7 annexes. We're not bifurcating. We're not setting up  
8 satellite annexes. So there's two annexes right now, one in  
9 CCWF and one at Solano. So everything comes through there,  
10 and that's really where it's checked for personal information,  
11 if there is any personal information, which there shouldn't be  
12 anymore. But it's still checked there, viewed there, and if  
13 it is, it's stripped there.

14 We also go backwards on that to make them understand  
15 why it got in there. So, yes, that part -- the only time --  
16 part that's being satellited, for lack of a better term, is  
17 the actual production side, and none of that personal  
18 information makes it up to the lab.

19 BOARD MEMBER KELLY: Thank you, Scott.

20 BOARD MEMBER AGHAKHANIAN: Scott, I had a question.  
21 So looking at our Net Cash Flow, so we're going down  
22 tremendously, as I can see just comparatively. Do we have --  
23 do we have a reserve and is there a cap on the reserve that we  
24 need to maintain?

25 GENERAL MANAGER WALKER: There's no cap, per se, on

1 the reserve. The cash flow -- the Designated of Cash is  
2 actually going up, Armond. We're going from -- if you look at  
3 the Exhibit B-1, you will see in the -- one, two, three,  
4 four -- on the fourth line item down where it says Cash or  
5 Cash Equivalent At Year End?

6 BOARD MEMBER AGHAKHANIAN: Yeah.

7 GENERAL MANAGER WALKER: So that shows -- right now,  
8 on the Annual Plan we're projecting a \$38.1 million cash on  
9 hand.

10 With the changes we're making at Mid-Year and the  
11 cutting of expenditures, we anticipate that cash on hand  
12 increasing from 38.1 to 42.7, and so, we're actually going to  
13 go up about -- it's a plan, the whole thing. There's a lot of  
14 moving parts there -- we should go about 4.5.

15 And what we would like to look at is -- and PIA is a  
16 little different than a traditional business in the sense that  
17 most of our revenue is pretty consistent. In the private  
18 sector, as most of you know, businesses like to keep about  
19 three months of cash on hand. For PIA, that would be about  
20 \$60 million. But because of the cash flow and the revenue and  
21 the lack of adjustments, per se, up and down, the target that  
22 we have is about two months worth of cash reserves; so that's  
23 about \$40 million. And that would be if everything -- when  
24 everything gets shut down, we would have about two months  
25 worth of reserve to figure out where we go from there.

1           And so, it's actually going up a little bit. It's  
2 something we certainly want to keep an eye on, because part of  
3 that Cash Reserves also will be used to fund our Capital  
4 Improvement Projects and Capital Equipment.

5           And so, it's going in a good direction. Not as fast  
6 as far as I would like it to be, but I think we're headed in a  
7 better direction than we were --

8           BOARD MEMBER AGHAKHANIAN: I apologize; I was looking  
9 at the Operations Map.

10          GENERAL MANAGER WALKER: No problem.

11          BOARD MEMBER AGHAKHANIAN: So do we have -- can we --  
12 do we have the option of investing some of this money in any  
13 kind of, you know, package, earn interest on it, if we're  
14 looking at such a large sum where the interest could be used  
15 for other purposes, putting it in some kind of a small, you  
16 know, liquid account?

17          Where does all the money sit that's not being used?

18          CHIEF EXECUTIVE OFFICER DAVIDSON: So we're required  
19 by statute to invest the money in the state --

20          GENERAL MANAGER WALKER: Pool.

21          CHIEF EXECUTIVE OFFICER DAVIDSON: -- yeah, Pool Money  
22 Investment Board. It doesn't earn a great deal of interest  
23 income, but it does earn some. But that's adequately  
24 restricted.

25          BOARD MEMBER AGHAKHANIAN: That is why, no, you're not

1 taking this money and investing it in a private bank or  
2 something, can we?

3 CHIEF EXECUTIVE OFFICER DAVIDSON: Right.

4 BOARD MEMBER AGHAKHANIAN: I'm sorry; I didn't hear  
5 you?

6 CHIEF EXECUTIVE OFFICER DAVIDSON: What was the  
7 question again; I'm sorry?

8 BOARD MEMBER AGHAKHANIAN: My question is can we -- so  
9 we only can invest in that state pool, we can't take this into  
10 a private entity even if the interest earned will be used for  
11 our programs? Do we have that option or do we have to  
12 invest in --

13 CHIEF EXECUTIVE OFFICER DAVIDSON: We don't have that  
14 option. Yeah, the statute requires it -- that's where the --  
15 we invest it.

16 BOARD MEMBER AGHAKHANIAN: Thank you.

17 CHIEF EXECUTIVE OFFICER DAVIDSON: So the two other  
18 enterprises that we do have an increased revenue projection  
19 would be the Healthcare Facilities Maintenance Program, the  
20 HFM Program, which we have about 1.2 million increase in  
21 revenue there. And, again, that's due primarily to increased  
22 cleaning as a result of COVID-19.

23 And then License Plates, we have an additional million  
24 dollars, and that's due primarily to projected stronger than  
25 anticipated sale of new cars. So, again, total revenue of

1 about \$242 million, 11.6 million less than the Annual Plan on  
2 the Revenue side.

3 For Cost of Goods Sold, as we mentioned, the Total  
4 Cost of Goods Sold is projected to be 184.6 million, which is  
5 \$10.1 million less than what we had at Annual Plan. And much  
6 of that reduction, much of it is due to, obviously, the  
7 reduction in variable costs associated with the lower Revenue  
8 number, which would be primarily less being spent on the  
9 purchase of materials, equipment, maintenance on that  
10 equipment, rental of the equipment, utilities, and other  
11 facilities operations. So those variable costs are the  
12 leading portion of that \$10.1 million.

13 In addition, we've seen significant reductions through  
14 the first half of this year and we expect to see continued  
15 reductions through the remainder of the year, although,  
16 hopefully, not to the same degree that we had in the first  
17 year, in a couple of specific areas, both -- first, Travel.  
18 We've seen a huge reduction in Travel both in-state and  
19 out-of-state. Actually, have zero out-of-state dollars  
20 expenditures through the first five-and-a-half months.

21 And then, also, the incarcerated person labor dollars,  
22 we've seen a significant reduction in that. Again, that's not  
23 through any intended effort, but just with the Covid  
24 precautions, and now we see part of that spent during what we  
25 had budgeted.

1           And then, final factors has been savings in salaries  
2 and benefits. As you may recall, when we presented the Annual  
3 Plan back in June, we mentioned that we recognize that there  
4 would likely be a reduction in employee compensation as a  
5 result of the collective bargaining that was ongoing at that  
6 time. And so, at Annual Plan, we didn't build in any of the  
7 potential reduction in employee compensation at that time, but  
8 acknowledged that we likely would at Mid-Year Revise.

9           So, as we know, they did reach agreements last summer.  
10 And the primary effect is that all staff are now receiving  
11 two personal leave days and, of course, finally, 9.2 percent  
12 reduction in salary. There were a few other changes to  
13 certain classifications; some positive, some negative. And  
14 the overall impact at CALPIA is a savings in employee  
15 compensation staff benefits costs of a total of about  
16 \$4.6 million.

17           So these are the factors that have reduced our Cost Of  
18 Goods Sold. We also have a few items to add to these  
19 expenditures.

20           And Scott talked a little bit about Optical. So we  
21 have added about \$900,000 to establish the new lab at CCWF,  
22 and that provides for 55 new incarcerated person positions to  
23 work in the Optical production there at CCWF, another \$800,000  
24 is being added to the budget at VSP, to align their budget  
25 with the expected expenditures to cover the increased workload



1 that we expect to have with the Medi-Cal work.

2 And then, there's also a total of 19 new positions  
3 going to the Optical program. Ten of those positions are  
4 being redirected from central office and the other nine are  
5 new positions.

6 So, again, there's a summary total Cost of Goods Sold  
7 Impact for Mid-Year Revise, is a total of 184.6 million  
8 leaving a gross profit of \$57.4 million.

9 One the Selling and Administrative side -- again, this  
10 includes all Central Office Costs, Offender Development  
11 Programs, Distribution, Confrontation and State Pro Rata, our  
12 total Selling and Administrative Costs are budgeted at  
13 \$51.2 million, which is \$3.1 million less than what we had at  
14 Annual Plan. And, again, we've been able to achieve that  
15 three-point-million-dollar reduction at closely looking at the  
16 budgets of each of the Central Office Divisions and reducing  
17 those budgets from -- basically, lower costs as a result of  
18 COVID-19 impact.

19 And similar to what we have with the Field, we are  
20 seeing far less travel, fewer dollars spent on Offender Labor,  
21 and then the same salary savings with the 9.2 reductions. We  
22 kept our estimate for Leave Payouts and for Non-Operating  
23 Expenses the same as what we had at Annual Plan.

24 So, again, a combination of all of those factors, we  
25 said about a four-and-a-half million dollar net profit. And

1 Scott mentioned earlier, that's about -- again, about 2.8  
2 million at Annual Plan. So about a \$1.7 million improvement  
3 from what we had at Annual Plan.

4 And we've talked about this before, but, you know, in  
5 the past, we kind of targeted a one-percent net profit margin,  
6 and part of that being that, again, we have to be a little  
7 cautious about our balance growing too large because then that  
8 becomes a target-rich environment for that money to be swept  
9 for other state general fund purposes. But we realize that  
10 the one percent is probably too low of a target because that  
11 doesn't give us flexibility when something like this pandemic  
12 hits and we have unexpected and unanticipated costs we have to  
13 address immediately. And so we're targeting more closer to a  
14 two percent of net margin today, and this Mid-Year Revise  
15 really puts us right within that ballpark.

16 BOARD MEMBER AGHAKHANIAN: So that was my concern. So  
17 we just went over the budget in our district, and the  
18 anticipated numbers have increased because, actually, there  
19 has been 15-plus billion-dollar boost in the tax in California  
20 for this year. So, so -- but, at the same time, I know the  
21 State is tapping into their reserves.

22 Is there anything in writing or an MOU that we have  
23 that prevents the State to -- you know, tapping into our  
24 reserves?

25 CHIEF EXECUTIVE OFFICER DAVIDSON: I absolutely wish

1 that we did have something in writing that would allow that.  
2 But, actually, again, the Government Code statute allows them  
3 to do that. And, again, we've seen that happen a couple of  
4 times over the past, you know, six, seven years, and,  
5 obviously, most recently being at 62.6 million a couple of  
6 years ago. And, again, if we -- as Scott mentioned, that  
7 40-million range is, I think, a good, sweet spot to be in.  
8 That's a prudent reserve balance. If it starts to grow too  
9 much beyond that, again, it becomes -- starts to become a  
10 target-rich environment, especially in tough economic times.

11 BOARD MEMBER AGHAKHANIAN: That is one of my concerns.  
12 So that's too bad.

13 What about the minimum wage going up? Is there any  
14 projections in there in terms of -- you know, because it's  
15 trickling at 13, it's going to go to 15. It's going to  
16 increase more and more.

17 Is other numbers projected in terms of the increase of  
18 the minimum wage or not?

19 CHIEF EXECUTIVE OFFICER DAVIDSON: Yeah, it does. So,  
20 as I mentioned earlier, with the Collective Bargaining  
21 Agreement that was reached over the summer, none of the State  
22 positions will drop below the state minimum wage. And so,  
23 while they have the 9.2 percent reduction for most  
24 classifications, if that reduction would put a certain  
25 classification position less than the state minimum wage, then

1 that classification is adjusted up. So, yes, that is taken  
2 into account.

3 BOARD MEMBER AGHAKHANIAN: I don't care  
4 (unintelligible) -- but in terms of this reserve cash that we  
5 have, I'm just afraid that the Governor is going to come back  
6 and take the money.

7 Is there anything that we have -- I know we can't  
8 invest in outside entities. Can we acquire land,  
9 properties -- anything we can invest in? -- machinery, that  
10 kind of prevents that from happening? I'm just concerned  
11 because, I'm already hearing --

12 GENERAL MANAGER WALKER: The 40 million, as Bill  
13 mentioned, is a sweet spot for us. We need to maintain a  
14 cash-on-hand position, you know, in case the bottom falls out,  
15 right. We got to be able to cover that. If -- and what our  
16 strategy, certainly is, once we start to grow above that, the  
17 capital investment stuff comes into play, as you just  
18 mentioned, where we go back out -- and there's always a need  
19 out there -- right? -- to invest in capital. And so, we've  
20 got to be kind of judicious about that during this process  
21 right now and the times we're in. But, certainly, as we start  
22 to grow out of these times and that cash reserve starts to  
23 increase, there certainly is an opportunity for us, and we'll  
24 take advantage of that, to reinvest in these enterprises out  
25 there to get more efficient, have better transferable skills

1 and all that.

2 But right now, we're trying to just maintain the  
3 solvency that we have, which we're in a good place, and really  
4 keep an eye on this to the future. But, certainly, as this  
5 thing matures and we get the ability to do that, we will  
6 certainly be investing, reinvesting in the organization.

7 BOARD MEMBER AGHAKHANIAN: Okay.

8 BOARD MEMBER KELLY: Scott? Curtis Kelly again.

9 While none of us like when the Governor comes and  
10 takes the money, you know? But one thing we need to be  
11 conscious of, like, is making huge giant profits, right? I  
12 mean, we're mandated -- the State of California mandates that  
13 these agencies buy from us. And if we start showing a big,  
14 giant profit, people are going to start looking at us  
15 thinking, you know, why are they taking that money that really  
16 could go out to the public enterprises? Why don't we  
17 distribute that to the public enterprises?

18 So while, you know, we do have the mandate to be  
19 self-sufficient, I think we would be cognizant of the fact  
20 that, you know, our buyers are mandated to use us and we  
21 shouldn't try to build up our reserves so big that it looks  
22 like we're taking from the public sector.

23 GENERAL MANAGER WALKER: Absolutely. And I think  
24 that's part of the balance we got to strike here is just that,  
25 because, you know, same thing -- and, you know, having the

1 conversation about mandatory use the other day with my Board  
2 member over at the Department of Motor Vehicle, and, you know,  
3 we -- whether you like it or not, forcing people to buy from  
4 you leaves a bad taste in their mouth, from the beginning,  
5 even if you execute well. And so, we've got to be careful  
6 about that.

7 I mean, the days when we were -- you know, the  
8 one percent profit margin that we used to build into the  
9 budget, I don't know whether that was realistic or not,  
10 Curtis. There were times during those years when we were  
11 having 14-, 15-million-dollar net profit. That kind of stuff  
12 absolutely sends the wrong message to everybody. And I think  
13 that it allows us to, quite frankly, not focus as much on the  
14 business efficiency because we've got that 14- or  
15 15-million-dollar profit. I mean, whether you like it or not,  
16 you operate differently when you've got that much cushion than  
17 when you don't.

18 And so, this whole process, I think, has been healthy  
19 for the organization to really focus on those efficiencies and  
20 what we really need to spend money on and not all those nice  
21 to haves or spending money that doesn't necessarily promote or  
22 benefit PIA. So all that spend-age has gone out window.  
23 There is no more of that.

24 The Board really is -- you know, we don't know -- I  
25 wish we did -- what the next six, eight months is going to

1 look like, right? If it's anything like the month we're in  
2 right now, that four-and-a-half million dollars could  
3 evaporate overnight. And so, I think that it's a prudent  
4 place to be right now. And, certainly, if that number starts  
5 to grow beyond that, I think you have got a solid point there,  
6 where we got to keep an eye on that, because, you know, we're  
7 not in the business to make a profit. We're in the business  
8 to impact people's lives. But part of that is, we've got to  
9 operate this like a business, because that's a means to an  
10 end.

11 And so, I think, right now, given all these stuff  
12 going on in this organization and the world, the plan that we  
13 have put forth here is about as solid as I can hope for given  
14 everything we've got going. And we'll see how it's matured.  
15 I mean, like I just told you, we went from a two-week lockdown  
16 now to a five-week lockdown. That's going to leave a mark.  
17 You know, no matter what we do, that is going to leave a mark.  
18 And so, we'll see as this thing matures.

19 The thinking that Bill and I -- you know, the notion  
20 that the one percent profit margin -- and I'll say it out  
21 loud -- I'm not sure that was -- I mean, that was just part of  
22 the process. I'm not sure how much in reality that was.  
23 This, this we've got put in here now is what we believe, given  
24 the circumstances when we created this document, where we end  
25 up at and we're going to have to see how this thing plays out.

1           But we don't want to have a notion out here that PIA  
2           somehow is just getting rich, for lack of a better term, off  
3           everybody else, and we certainly don't want to have a  
4           perspective that we take all that for granted and that we're  
5           not being responsible with the funds of PIA or the  
6           organization. That fiduciary responsibility that I certainly  
7           understand and have, the organization has, and so -- you know,  
8           that's part of the world we're navigating, and I would hate  
9           for people to think that we're out here for some profit  
10          motive, because that's not why we're here.

11           And to your point, if we start turning a 14-,  
12          15-million-dollar a year profit and we have an  
13          80-million-dollar cash reserve, it would be easy to connect  
14          the dots that people on that one -- don't want to be there.  
15          But I think this is the -- is responsible and well put  
16          together, at this point, anyway.

17           BOARD MEMBER AGHAKHANIAN: I think this is more  
18          reasons for the Governor and all the departments to really  
19          praise all the hard work you're doing. Because you're looking  
20          across the state line right now, everyone is in the red except  
21          us.

22           But thank you for your hard work and keeping us -- I  
23          like it when I see nice, you know, net cash flows.

24           BOARD MEMBER VAUGHN: Yeah, me, too. I think it's  
25          proven. I think the decisions that has been made by



1 administration and the Executive team has been spot on. This  
2 is the position we need to be in right now. Everyone is in a  
3 tenuous position. We need to make sound decisions as it  
4 relates to front-lining budgetary expenses and really  
5 maximizing revenues.

6 You know, everybody likes to be in a cash position,  
7 but when you look at it in the full scope of things, this  
8 amount of money in reserves can -- I mean, it can disappear by  
9 the weekend, depending on what's going on.

10 So, you know, we do the best we can and we wait. But,  
11 you know, I'm telling everybody right now, you know, it's  
12 great that you have a little cash, but don't be too foolish  
13 either.

14 BOARD MEMBER MARTIN: I wanted to bring up a topic  
15 real quick, just ask a question.

16 With DVI closing and the Dairy closing and selling the  
17 cows, are we selling the equipment, too? And how does that --  
18 how did that get taken into account into the budget? I know  
19 it reduces our COGS, Cost Of Goods Sold.

20 So what was the actual reduction in COGS with the  
21 Dairy closure? And then, the sale of the herd, what do we  
22 anticipate that to generate for us?

23 GENERAL MANAGER WALKER: I'll let Bill get into the  
24 weeds on this. I will tell everybody, somewhat sadly, you  
25 know, DVI Dairy operated for 70 years, and so, there was a

1 long history there of a lot of great work. And I went down  
2 there, I think it was last Thursday, which was the day that  
3 the herd was shipped out, and both staff and offenders -- I'll  
4 tell you -- I'll share with you that some of the staff  
5 actually requested to have the day off because they just were  
6 distraught with the notion of getting rid of that herd, as  
7 were the offenders. And so, a lot of good work was done down  
8 there. The situation with Dairy is a struggle in this  
9 state -- any state, I guess, to some degree. But we are  
10 selling that stuff off. We sold 485 of the cows, the milking  
11 cows. We sold more of the herd, I should say last Friday, I  
12 believe it was, and they garnered about \$987 a piece. So  
13 there's about a half million dollars of revenue, or cash, I  
14 should say, coming in there.

15           And we do plan to do two things with the equipment.  
16 One is, obviously, if we have a need at CCWF, the crop farm  
17 there, or if we have a need at Corcoran, we'll look internally  
18 for that as well, along with the equipment, some of the tanks,  
19 maybe the CIP, or the engine plate system, et cetera, et  
20 cetera, all go into that evaluation to see what is in the best  
21 interest of the organization about whether we sell it or  
22 redirect it. There's a lot of years worth of signage on the  
23 ground down there. So all of those things are going through  
24 that process now.

25           The herd was the first thing to go because we wanted

1 to make sure that we were maintaining it well with the staff  
2 we had left. The staff, obviously, are looking for new  
3 opportunities in this process, which I didn't want to leave  
4 them without proper herd management. And so, they were all  
5 sold last Friday. I'm going to share with you -- the number  
6 they -- shared with the cow, I think it's 485, and they sell  
7 for about 987,000.

8 CHIEF EXECUTIVE OFFICER DAVIDSON: A couple things  
9 that we need to bear in mind with the closure of DVI and  
10 specifically to the sale of the cattle and some of the  
11 equipment. You know, in some cases -- and I don't have the  
12 details all laid out yet, because I don't know what some of  
13 the stuff is actually going to sell for on the equipment side.  
14 But there's certainly the potential that that could result  
15 in -- I'm just going to call it a book loss, because,  
16 obviously, a lot of that equipment still has depreciable value  
17 still on it. And so, if we're able to sell it for more than  
18 what is still remaining to be depreciated on, great, then  
19 that's a profit to us. If not, again, great to have the cash  
20 in the bank.

21 But from a book perspective, from a financial  
22 perspective, it may actually show a greater loss for that  
23 Dairy, just that one time for the year. So we've been working  
24 on identifying what that actual impact is going to be as we go  
25 through that process of selling off that equipment and kind of

1 seeing what the -- what Scott mentioned, the sale of the herd,  
2 what the book value is remaining on that herd compared to what  
3 we actually sold it for. So we'll certainly keep you updated  
4 and informed on what that overall impact is, as it plays out.  
5 But there's certainly the potential from a one-time  
6 perspective, on paper, it could actually put it at a larger  
7 loss than what we might otherwise see. We'll be sure to keep  
8 you updated on that.

9 BOARD MEMBER MARTIN: What about the Cost Of Good  
10 savings?

11 CHIEF EXECUTIVE OFFICER DAVIDSON: I don't have that  
12 in front of me right now. If it's okay, I can certainly get  
13 that together and get that over to you.

14 BOARD MEMBER MARTIN: That would be great.

15 GENERAL MANAGER WALKER: You know, at the day -- and  
16 this is just going from memory, pretty good. The numbers, we  
17 looked at. I believe that was a reduction in Cost Of Goods  
18 Sold was well over a million dollars bottom line.

19 And so, at the end of the day, you know, we've got to  
20 go through the -- as Bill said, and he makes a good point on  
21 depreciation. I think the -- the mill packaging machine down  
22 there that we have right now that we bought a few years ago  
23 still has a depreciation number of about 600,000 on the books,  
24 and the market value for that machine, the resale,  
25 unfortunately, is somewhere closer to four million -- about --

1 600,000; 400,000 market value. So we're going to work in  
2 that.

3 But the numbers, at the end of the day, PIA will be  
4 financially in a better place once we've closed DVI out and  
5 then sold off the assets and balanced all of that stuff. And  
6 so, I'll leave it there. But there's some other things in  
7 that Dairy space that we're going to talk about in January as  
8 well about how we defer potentially the increase of Costs Of  
9 Goods Sold.

10 BOARD MEMBER MARTIN: Thank you.

11 CHIEF EXECUTIVE OFFICER DAVIDSON: Any other questions  
12 or comments on that budgetary piece Mid-Year Revise Financial  
13 Plan.?

14 BOARD MEMBER AGHAKHANIAN: If it's okay, I would like  
15 to make a motion that PIA attached Proposed Mid-Year Revise  
16 for Fiscal Year 2020-21.

17 BOARD MEMBER VAUGHN: Second.

18 BOARD SECRETARY MURRAY: I'm sorry, who was that  
19 second?

20 BOARD MEMBER VAUGHN: Vaughn.

21 BOARD SECRETARY MURRAY: Thank you.

22 BOARD CHAIR MACOMBER: Just a point of order, do we  
23 need to take public comments first?

24 BOARD SECRETARY MURRAY: Yes, please.

25 BOARD CHAIR MACOMBER: If any member of the public

1 would like to make a comment regarding this item, please dial  
2 star-six. Our meeting organizer will place you in order and  
3 will call out the last four digits of your phone number when  
4 it is time for you to speak. Please state your name and  
5 affiliation so we can make note in our records.

6 BOARD MEMBER AGHAKHANIAN: I'm just curious, in the  
7 Robert Rules of Conduct, isn't a public comment supposed to be  
8 first on the Agenda Item? Or else are we going to public  
9 comments on every action item? That's usually not the  
10 process.

11 GENERAL MANAGER WALKER: So the process, Mr.  
12 Aghakhanian, I'm being told by my legal folks, is that after  
13 every Action Item we need to entertain public comment, and  
14 then there's a second, certainly, at the end for general  
15 public comment.

16 BOARD MEMBER AGHAKHANIAN: That's a first. Okay.

17 BOARD SECRETARY MURRAY: I'm looking at Suzie, our  
18 host here, and we do not have any comments in queue.

19 GENERAL MANAGER WALKER: We have a motion and a  
20 second.

21 BOARD SECRETARY MURRAY: We have a motion by Armond  
22 Aghakhanian and a second by Troy Vaughn. So I'm going to go  
23 ahead and call the roll. Member Aghakhanian?

24 BOARD MEMBER AGHAKHANIAN: Aye.

25 BOARD SECRETARY MURRAY: Member Davison?

1 BOARD MEMBER DAVISON: Aye.  
2 BOARD SECRETARY MURRAY: Member Kelly?  
3 BOARD MEMBER KELLY: Yes.  
4 BOARD SECRETARY MURRAY: Thank you. Member Jamison?  
5 BOARD MEMBER JAMISON: Yes.  
6 BOARD SECRETARY MURRAY: Member Jenkins?  
7 BOARD MEMBER JENKINS: Aye.  
8 BOARD SECRETARY MURRAY: Member Jennings?  
9 BOARD MEMBER JENNINGS: Aye.  
10 BOARD SECRETARY MURRAY: Member Martin?  
11 BOARD MEMBER MARTIN: Aye.  
12 BOARD SECRETARY MURRAY: Member Vaughn?  
13 BOARD MEMBER VAUGHN: Aye.  
14 BOARD SECRETARY MURRAY: Member Webb?  
15 BOARD MEMBER WEBB: Aye.  
16 BOARD SECRETARY MURRAY: And Vice-Chair Singh?  
17 VICE-CHAIR SINGH: (Raised hand)  
18 BOARD SECRETARY MURRAY: He gave me a wave. Can you  
19 give me a thumbs up, Mr. Singh, or thumbs down? Thumbs up for  
20 an "Aye." Mr. Singh, can you give me a thumbs up for an  
21 "Aye"?.  
22 VICE-CHAIR SINGH: Aye.  
23 BOARD SECRETARY MURRAY: Thank you. And Chair  
24 Macomber?  
25 BOARD CHAIR MACOMBER: Aye.

1 BOARD SECRETARY MURRAY: Thank you. Motion passes 11  
2 to 11.

3 BOARD CHAIR MACOMBER: Thank you. Onto Action Item B,  
4 Approval of Designation of Cash to Support CALPIA's Fiscal  
5 Year 20-21 Mid-Year Revise Budget Proposal.

6 Mr. Walker, Action Item B, please.

7 GENERAL MANAGER WALKER: Here again is Mr. Davidson,  
8 our Chief Financial Officer, who will present Action Item B,  
9 Designation Of Cash.

10 CHIEF EXECUTIVE OFFICER DAVIDSON: Great. Thank you.  
11 So we've kind of already spoke about a lot of the items here.  
12 But just to recap, the Designation of Cash is not really  
13 significantly changed from what was approved at Annual Plan,  
14 at least structurally and contextually. There are no changes  
15 to the capital expenditures in June. Board Approved Total New  
16 Capital Request of \$6,363,000. There's no change to that. At  
17 Mid-Year, we still maintain those same projects that were  
18 approved at Annual Plan.

19 The Board also approved an additional \$10,885,000 in  
20 Rollover Capital Dollars for projects previously approved in  
21 prior years, and this also remains unchanged now at Mid-Year.

22 So the change to the Designation of Cash really just  
23 come from trim, for providing the actual Fiscal Year End  
24 Available Cash Balance and then putting in the Revised  
25 Recommend Expenditure amounts based on the Mid-Year revised



1 that was just approved. So we apply all of those for the  
2 revised figures in keeping the Capital amount the same. The  
3 end result, as was mentioned earlier, is a Projected Cash  
4 Balance at the end of the fiscal year at \$42.7 million, which  
5 is four-and-a-half million dollars higher than what was  
6 projected and approved at Annual Plan. And as Mr. Walker also  
7 mentioned, again, this does represent a little more than two  
8 months worth of operating capital, which is really a prudent  
9 cash balance.

10 So any questions or comments on the Designation of  
11 Cash?

12 BOARD MEMBER AGHAKHANIAN: I move that the Board  
13 approves the Revised Designation of Cash for Fiscal Year 20-21  
14 as presented.

15 BOARD MEMBER JENNINGS: I second it. Did you get the  
16 second?

17 BOARD SECRETARY MURRAY: Yes, I did. Thank you,  
18 Mr. Jennings.

19 Suzie, do we have anybody in line with you for a  
20 comment?

21 MS. CHANGUS: We do not have anybody in queue for  
22 comments.

23 BOARD SECRETARY MURRAY: Okay, so I'm just going to go  
24 ahead and call roll once more.

25 Member Aghakhanian?

1 BOARD MEMBER AGHAKHANIAN: Aye.  
2 BOARD SECRETARY MURRAY: Member Davison?  
3 BOARD MEMBER DAVISON: Aye.  
4 BOARD SECRETARY MURRAY: Member Kelly?  
5 BOARD MEMBER KELLY: Aye.  
6 BOARD SECRETARY MURRAY: Member Jamison?  
7 BOARD MEMBER JAMISON: Yes.  
8 BOARD SECRETARY MURRAY: Member Jenkins?  
9 BOARD MEMBER JENKINS: Aye.  
10 BOARD SECRETARY MURRAY: Member Jennings?  
11 BOARD MEMBER JENNINGS: Aye.  
12 BOARD SECRETARY MURRAY: Member Martin?  
13 BOARD MEMBER MARTIN: Aye.  
14 BOARD SECRETARY MURRAY: Thank you. Member Vaughn?  
15 BOARD MEMBER VAUGHN: Aye.  
16 BOARD SECRETARY MURRAY: Member Webb?  
17 BOARD MEMBER WEBB: Aye.  
18 BOARD SECRETARY MURRAY: Vice-Chair Singh?  
19 VICE-CHAIR SINGH: Aye.  
20 BOARD SECRETARY MURRAY: Thank you. And Chairman  
21 Macomber?  
22 BOARD CHAIR MACOMBER: Aye.  
23 BOARD SECRETARY MURRAY: All right. Motion passes 11  
24 to zero. I'm sorry I mispronounced that before.  
25 BOARD CHAIR MACOMBER: Action Item C, CALPIA's Report

1 to the Legislature Fiscal Year 19-20.

2 Mr. Walker, Action Item C, please.

3 GENERAL MANAGER WALKER: Here to present Action Item C  
4 is our Assistant General Manager for External Affairs, Michele  
5 Kane.

6 ASSISTANT GENERAL MANAGER KANE: Good morning,  
7 Members.

8 In your binders, I ask you to pull out the Report to  
9 the Legislature. This is Fiscal Year 2019-20.

10 First off, I would like to thank Stephanie Eres and  
11 Aaron Schultz. They did a great job of working together,  
12 collaborating on this with our External Affairs Office,  
13 Phyllis Guare and Amanda Lee. They helped catch all those  
14 last minute edits. And, of course, Scott Walker, the  
15 Executive team, they all actually worked together on this.  
16 It's a true team effort.

17 Some of the highlights this year, I'm going to just  
18 walk you through. We're going to go real quick. Page two and  
19 three, you'll see that, and that is all about our Mission and  
20 Goals. We highlight correctional industries which continues  
21 to show CDCR as the largest customer, of course, for CALPIA.

22 On page four, turn the page there, we highlight our  
23 Career Technical Education programs. They have an amazing  
24 track record. They have been proven successful for so many  
25 incarcerated individuals.

1           On page five, our Joint and Free Venture Programs.  
2 Through that fiscal year, they gave more than \$136,000 for  
3 Crime Victim Restitution. We-- are going to be working on  
4 distributing that money and getting a press release out on  
5 that. So that's some good news. We also added more colorful  
6 pictures.

7           If you turn the page, of course, that's from our  
8 Commercial Dive Program. And then you'll see the Coding, the  
9 Construction Labor Program, Carpentry, and Culinary and  
10 Coding, of course.

11           On pages 10 and 11, we focus on the Industry  
12 Employment Program. And that provides incarcerated workers  
13 access to nationally-accredited certifications and state  
14 apprenticeship certificates. Our Industry Employment Program,  
15 they do a terrific job helping our workers with transition to  
16 employment services and information.

17           On pages 12, 13 and 14, that's going to provide more  
18 details about the State Apprenticeship Program. It lists all  
19 the certifications available right now. We have more than 131  
20 nationally-accredited certifications for all of our  
21 industries. More than 12,000 participants successfully  
22 completed an accredited certification program. So that's a  
23 good number right there.

24           On page 16 and 17 -- so flip the pages -- this is my  
25 favorite page, but I love success stories. And I'm trying to

1 drive that home in the media. With the weekly updates, you'll  
2 see that. Successful outcomes. These are just a few amazing  
3 success stories of former graduates who now have careers  
4 thanks to CALPIA.

5 On page 18 and 19, you'll see the significant changes  
6 and enterprise improvements. That includes the Optical and  
7 the Laundry Automation Equipment.

8 Turn the page there. And on pages 20, 21, yes, we are  
9 now focused on our response to COVID-19 and what we did  
10 through this pandemic. Of course, everything from  
11 cloth-barrier masks, hand sanitizers, the Health Care  
12 Facilities Maintenance Program is highlighted there.

13 On the following page, on page 24, CALPIA launches  
14 enhanced new employee orientation. We look into teleworking  
15 with human resources and all the COVID-19 guidelines.

16 On page 26, you will find the Summary of Prison  
17 Industry Board Action Items.

18 And on page 27, I think you'll see some familiar  
19 faces. That page focuses on our Prison Industry Board Members  
20 at work at various Board meetings.

21 And then, the following pages, we have pages 28 and  
22 29, we have the Financial Plan, the Designation of Cash.

23 If you turn to page 30, Enterprise Overview, we have  
24 the incarcerated individuals, we have the assignments there.

25 And page 32, we also have the incarcerated position by

1 location.

2 And then, on page 33, why not highlight more  
3 graduations. Of course, these all happened pre-COVID. But I  
4 just love seeing the faces and the smiles that we can't see  
5 nowadays, of course, everybody wearing masks.

6 And now we turn the page; that is the updated map on  
7 Enterprises, Career Technical Education Programs, Joint and  
8 Free Venture Programs, the map. And then we round it up with  
9 a Coding picture and then a congratulatory handshake from  
10 Scott Walker.

11 And that pretty much wraps it all up. And that's the  
12 Report to the Legislature. With that, I ask you to approve  
13 CALPIA's Report to the Legislature Fiscal Year 2019-20.

14 BOARD MEMBER JENNINGS: I move --

15 BOARD MEMBER JENKINS: Second. And I have a comment,  
16 even before we vote.

17 BOARD MEMBER DAVISON: And I have a question.

18 BOARD MEMBER AGHAKHANIAN: You can have discussion  
19 after a motion has been made, but all right.

20 BOARD MEMBER JENKINS: Right, I understand.

21 BOARD MEMBER AGHAKHANIAN: In The Robert Rules and I  
22 believe the President of the Board.

23 BOARD MEMBER JENKINS: Well, this is just my comment.  
24 And I know Dawn has a question.

25 And my comment is to commend everyone that had a hand

1 in creating this report, Michele. I'm not really sure who --  
2 I'm just really, really impressed. I'm impressed with the  
3 presentation. I'm impressed with the way that it's laid out.

4 And I'll tell you, Scott, you're a pretty photogenic  
5 guy. (Laughter) You take a good photograph, Buddy.

6 (Laughter)

7 There's some other things I want to highlight. I  
8 mean, just as a Board member, the \$136,000 collected for  
9 victim -- Crime Victim Restitution --

10 ASSISTANT GENERAL MANAGER KANE: Yes.

11 BOARD MEMBER JENKINS: -- is significant.

12 ASSISTANT GENERAL MANAGER KANE: Yes.

13 BOARD MEMBER JENKINS: In this day and age of when so  
14 many people around the country, not just the state, are  
15 talking about criminal justice reform, one of the groups that  
16 is left out of that discussion is crime victims and the impact  
17 that crime has on victims. And we can't be a part of that.

18 I -- personally, I just urge that as those  
19 conversations go forward anywhere, that the impact of crime on  
20 victims not be forgotten. Anyone -- a lot of folks will also  
21 talk a lot about restorative justice programs, and I'm one of  
22 them. But there isn't a restorative justice program that  
23 excludes the impact on victims.

24 So the fact that we can document and show here how our  
25 mission moving forward is collecting that much money is just

1 -- it's not a little thing. It's a big thing.

2 I won't -- this is just for me. It's very impressive.  
3 And I love, Michele, like you highlighted the graduations, the  
4 successful outcome stories. Again, all in all, I just really  
5 want to compliment on the preparation of this report.

6 ASSISTANT GENERAL MANAGER KANE: Thank you. Thank  
7 you, Mack. It is a team effort. And, you know, the thing is,  
8 I just want to show that CALPIA does positive things in light  
9 of such -- you know, we are in such a negative time right now.  
10 Everybody just is so out of sorts, and I -- you know, there's  
11 good in our programs, we just got to keep just plugging  
12 through and smiling, right? We got to keep showing what we  
13 do.

14 BOARD MEMBER JENKINS: Yeah, the highlight -- the  
15 Covid response, too, was the other thing I wanted to salute as  
16 well. But thank you, Michele.

17 ASSISTANT GENERAL MANAGER KANE: Thank you. And,  
18 also, you guys, this is just the draft. You will get a  
19 thicker version. We'll have a thicker cover on this as well,  
20 which will look nice.

21 Okay, Dawn, you have a question?

22 BOARD MEMBER DAVISON: Yes, I have a question. I want  
23 to echo what Mack said as well. It's a beautiful report.  
24 Michele and your team, you always do a fabulous job.

25 My question is, it says it's a Report to the



1 Legislature. So who else does it go to besides the  
2 Legislature?

3 ASSISTANT GENERAL MANAGER KANE: Well, it also goes  
4 out to the public. So once we get it to the Legislature, we  
5 send it to the three offices, the Senate, the Chief Clerk, and  
6 then also the main -- the Legislative Counsel Office. And  
7 once we distribute that, then we distribute it to the  
8 Legislature. But we also distribute it to the public through  
9 websites. When people come out on tours, we pass it out then,  
10 you know --

11 GENERAL MANAGER WALKER: And also at the Governor's  
12 office?

13 ASSISTANT GENERAL MANAGER KANE: And the Governor's  
14 office as well. We drop one off to the Governor's office.

15 BOARD MEMBER DAVISON: That was one thing that I was  
16 thinking, because does it go to the Governor's office?

17 ASSISTANT GENERAL MANAGER KANE: Yes.

18 BOARD MEMBER DAVISON: Does this document get to the  
19 folks that are working with him on commutations and paroles so  
20 that they can see what good work the incarcerated individuals  
21 are doing when they are in PIA programs?

22 Because, again, I have to go back to when I was  
23 working on that team. They didn't look at incarcerated folks  
24 that worked in PIA as being in rehabilitative programs. They  
25 did not see that as being as worthwhile as other

1 rehabilitative programs that CDCR had. So I was just  
2 wondering if this was getting into those folks' hands and our  
3 Parole Commissioner's hands?

4 GENERAL MANAGER WALKER: So let me talk a little bit  
5 about the Board of Parole hearing and the Commissioners. And  
6 so we've been actively engaged with them in that process of  
7 getting PIA to a point where it is recognized. That's been an  
8 ongoing problem with PIA since I've been here for 35 years, is  
9 recognizing PIA is a rehabilitative program.

10 And so, what we've agreed to is that PIA is now  
11 providing to the ERMS file, the central file of the offender,  
12 a document that shows their progression in the rehabilitative  
13 process. So we've sat down -- Randy Fisher and his crew; and  
14 they have done a great job in Workforce Development -- sat  
15 down, met with the Commissioners, presented to the  
16 Commissioners, come to an agreement that we would have an  
17 evaluation form that would be filled out by PIA Supervisory  
18 Staff, the actual supervisors on the ground, that would show,  
19 document their progress. Because that's really what, from  
20 their perspective, they need is not just that they're in a PIA  
21 program, but within that program, they've made progress in  
22 that rehabilitative space, right? How they interact with  
23 people, how they address people, how they approach the job,  
24 their growth in that rehabilitative program.

25 So we've made a lot of progress, thankfully, recently

1 on that notion. I don't know necessarily -- we certainly give  
2 these -- a stack of these to the Governor's office every year.  
3 I don't know that they get into those particular individual's  
4 hands, but we may be able to with your help, Ms. Davison,  
5 navigate those waters to get them in there.

6 So I think it's important, pertinent, I think dealing  
7 with the Commissioner so that should be part of the package,  
8 hopefully, that goes over there is the first step. But, you  
9 know, enlightening everybody to the benefit of these programs  
10 is an ongoing, challenging -- quite frankly, at the Governor's  
11 office there's been quite a bit of turnover there lately, and  
12 so, it's going to be good to reeducate those people that are  
13 there now. Some of them, obviously, are familiar with PIA  
14 program, Kris Applegate, to name one, but there's some others  
15 that may not be.

16 BOARD MEMBER DAVISON: And I wonder, do the wardens  
17 get a copy of this?

18 ASSISTANT GENERAL MANAGER KANE: The wardens, you  
19 know, no.

20 GENERAL MANAGER WALKER: They do now.

21 ASSISTANT GENERAL MANAGER KANE: But they do now.

22 BOARD MEMBER DAVISON: They should.

23 BOARD MEMBER JENKINS: They should.

24 BOARD MEMBER VAUGHN: Yeah, I think anybody that's  
25 interfacing with --

1 BOARD MEMBER DAVISON: And, Jeff, maybe, hopefully,  
2 you'll agree with me, sometimes, I think that the wardens  
3 don't always appreciate what their incarcerated folks in our  
4 PIA enterprises are really doing, not only for them in their  
5 facilities, but for the greater good. So I think it would be  
6 important for them to see it.

7 ASSISTANT GENERAL MANAGER KANE: I agree. I agree.

8 BOARD MEMBER VAUGHN: I've got a couple comments. I  
9 agree with everything everybody is saying. I think it's  
10 incumbent upon us to really be more proactive to help people  
11 see the linkage in terms of people leaving incarceration and  
12 going to the community. Like, that important linkage piece is  
13 really going to be critical as we move forward to establish  
14 ourselves to influence and impact how people transition back  
15 in the community.

16 Did I hear you say earlier that this was a draft?

17 ASSISTANT GENERAL MANAGER KANE: No, this will be the  
18 final. This is the final. It's just a matter that I'm going  
19 to put a harder, thicker cover on it.

20 BOARD MEMBER VAUGHN: I see. I see. Okay, I was just  
21 asking if there was an opportunity for comment on some of the  
22 language choices?

23 ASSISTANT GENERAL MANAGER KANE: Yeah, we can change  
24 language choices.

25 BOARD MEMBER VAUGHN: Well, I mean, in my

1 conversations with Scott earlier, we were moving away from  
2 using the term "offender."

3 ASSISTANT GENERAL MANAGER KANE: Oh --

4 GENERAL MANAGER WALKER: That change is going to be  
5 made when this is published, Troy. So that's -- all the  
6 "offender" notion -- that should have been in the pdf file be  
7 stricken from this, and the word -- the title of "incarcerated  
8 individual" will replace that.

9 BOARD MEMBER VAUGHN: Perfect. Okay, great. That's  
10 what I was trying to refer to. I just wanted to make sure.

11 I think that's going to go a long way into us  
12 beginning to bridge the gap that was just spoken about earlier  
13 in terms of understanding that what we're doing here is  
14 rehabilitation. But more than that, we're creating  
15 opportunity for people to actually matriculate back into  
16 society in a successful way. And when we start using language  
17 choices that do exactly just that, it connects people back  
18 into community and it also connects community providers that  
19 are actually doing the work in community with a more receptive  
20 approach to the partnership. So I'm glad to hear that.

21 BOARD MEMBER MARTIN: To kind of go with Troy and  
22 everyone else has been saying, we need to make sure that our  
23 customers -- and, I mean, CDC is our largest customer, right?  
24 We need to let them know that, Hey, thank you for our  
25 successes, and here are part of our successes that we're

1 sharing with you.

2 So if you talk to a lot of the rank in files  
3 individuals, they really don't know what we do, right? And  
4 having been one, I can tell you, I was there. So it's really  
5 important to get it in the people's hands that have made a  
6 difference for us. All of our customers make this happen, and  
7 without them, we wouldn't be here. So we need to make sure  
8 that they share in the success.

9 ASSISTANT GENERAL MANAGER KANE: I agree, I agree, I  
10 agree.

11 GENERAL MANAGER WALKER: So what we'll do is put  
12 together a fairly comprehensive distribution list and maybe  
13 share that with everybody, so you guys can have a view of who  
14 we plan -- I think these are all great recommendations, and  
15 sometimes we don't do a good enough job of promoting  
16 ourselves. I think that we need to do that more.

17 So we will put that together, share it with you, and  
18 make sure we've got sufficient copies to distribute this far  
19 and wide.

20 BOARD MEMBER JENKINS: Just one last quick comment on  
21 this as well, and I put it in the Chat, is I think this  
22 discussion also heightens the importance of our recidivism  
23 study, Scott, because this -- the report, it's beautifully  
24 prepared, it heightens interest, quite frankly, in what we're  
25 doing and what we've been achieving and it will in some --

1 depending upon where it lands, how we distribute it, it will  
2 raise the question, Well, wow, how effective are the CALPIA  
3 programs? What actually are the recidivism?

4 So we will want to be in a position to answer that  
5 question as we move forward with our discussions on that  
6 study. And I'll do this later, but one of the groups that  
7 should certainly get this report is the Chief Probation  
8 Officers Association of California, CPOC, because so many of  
9 the individuals, when they leave, and that are in our  
10 programs, come out under their engagement and supervision, so  
11 ... that's my last comment for now.

12 BOARD MEMBER AGHAKHANIAN: I had a PR related  
13 question. So just going through an election month and, you  
14 know, being constantly criticized of being a member of CALPIA,  
15 there is still -- not a new wave of progressive, whatever  
16 they're calling themselves. I was attacked many times,  
17 because there is this notion still, especially with the whole  
18 political atmosphere building up to the November election,  
19 that this institution is, you know, exploiting prisoners for  
20 profit.

21 And I want to, maybe, next year do a little better job  
22 in putting this out there in public, too, that this is not  
23 Texas. This is not -- you know, I mean, I was amazed when I  
24 was accused of being on a Board -- doing all this great work  
25 with all of you and the rest of the team and being accused of

1 running basically, you know -- I'm sure you've heard this  
2 before.

3 GENERAL MANAGER WALKER: Absolutely.

4 BOARD MEMBER AGHAKHANIAN: And I was mad. I said,  
5 Yeah, the Governor and some of my colleagues who represent  
6 unions, that they're going to be part of this if this is what  
7 we were doing?

8 But I hope, maybe, we can do a little stronger PR also  
9 into the public, general public, just to put the word out,  
10 especially with some of the new legislators who are coming in  
11 as byproducts of this complete, you know, left shift with --  
12 and you've seen what happened in the elections with some of  
13 the prominent seats where individuals were defeated by unknown  
14 candidates who really ran on this whole defunding the police  
15 and everything else, you know, conversation. So I think it is  
16 right for us to put this out there.

17 And I also want to know in terms of the new class of  
18 the elected officials, both from Assembly and Senate side, I  
19 want to know who are the ones that have been consistently  
20 supportive of us, if they're still in power, and the ones  
21 who've been questioning us, and how are we going to go, you  
22 know, and say hello to the new body of the legislators, who,  
23 you know, might want to learn a little more about what we do  
24 based on what the whole, you know, mood and the atmosphere was  
25 during the November election.



1           You know, it wasn't like you're good enough to be a  
2 democrat, now you have to be (indicating). And I think all  
3 you got to do is look at Los Angeles and what happened with  
4 some of the incumbent seats where they lost to, you know,  
5 self-claimed socialist progressive candidates, and I think --

6           GENERAL MANAGER WALKER: Absolutely. We have to  
7 continue to push the notion of our mission to educate people.  
8 That's just something we need to keep a focus on. We  
9 certainly will do that.

10           ASSISTANT GENERAL MANAGER KANE: Yes.

11           BOARD SECRETARY MURRAY: Michele, we do have a  
12 question from Ms. Webb, also, in the Chat. She said, "Do we  
13 have social media venues to share this information as well as  
14 showcase the good work and benefit to California?"

15           ASSISTANT GENERAL MANAGER KANE: Yes, yes. We post it  
16 on all social media outlets. Thanks, Kathleen.

17           BOARD MEMBER AGHAKHANIAN: I think, for the record, I  
18 wasn't texting in the photo, you know, my wife and daughter --  
19 it was my wife; I had to answer. Put a little disclaimer  
20 under it, you know.

21           (Laughter)

22           GENERAL MANAGER WALKER: Do we have a motion?

23           BOARD SECRETARY MURRAY: Yes, we have a motion from  
24 Mr. Jennings and a second from Mr. Aghakhanian. So I'm just  
25 going to go ahead and call the roll.

1 Member Aghakhanian?  
2 BOARD MEMBER AGHAKHANIAN: Aye.  
3 BOARD SECRETARY MURRAY: Member Jamison?  
4 BOARD MEMBER JAMISON: Oh, was that "Jamison"?  
5 BOARD MEMBER DAVISON: Did you say "Davison"?  
6 BOARD SECRETARY MURRAY: Oh, "Davison," I'm sorry.  
7 BOARD MEMBER DAVISON: Aye.  
8 BOARD SECRETARY MURRAY: Member Kelly?  
9 BOARD MEMBER KELLY: Aye.  
10 BOARD SECRETARY MURRAY: Member Jamison?  
11 BOARD MEMBER JAMISON: Yes.  
12 BOARD SECRETARY MURRAY: Member Jenkins?  
13 BOARD MEMBER JENKINS: Aye.  
14 BOARD SECRETARY MURRAY: Member Jennings?  
15 BOARD MEMBER JENNINGS: Aye.  
16 BOARD SECRETARY MURRAY: Member Martin?  
17 BOARD MEMBER MARTIN: Yes.  
18 BOARD SECRETARY MURRAY: Member Vaughn?  
19 BOARD MEMBER VAUGHN: Aye.  
20 BOARD SECRETARY MURRAY: Member Webb?  
21 BOARD MEMBER WEBB: Aye.  
22 BOARD SECRETARY MURRAY: Vice-Chair Singh?  
23 VICE-CHAIR SINGH: Yes.  
24 BOARD SECRETARY MURRAY: And Chair Macomber?  
25 BOARD CHAIR MACOMBER: Aye.

1 BOARD SECRETARY MURRAY: Motion passes 11 to zero.

2 And I apologize, we did not ask for public comments.

3 BOARD MEMBER AGHAKHANIAN: The Board Member Jamison,  
4 my favorite drink is Jamison with an "e" Red Press, so next  
5 time we're thinking about my birthday...

6 (Laughter)

7 GENERAL MANAGER WALKER: Public comments?

8 BOARD SECRETARY MURRAY: Suzie, do we have any public  
9 comments? We do not have any public comments in queue.

10 ASSISTANT GENERAL MANAGER KANE: Well, our next item  
11 is going to be the Superior Accomplishment Awards. And  
12 COVID-19, of course, impacted the world, it impacted CALPIA.  
13 Our employees have adapted and adjusted to these ever-changing  
14 policies, processes, staffing challenges, unprecedented  
15 enterprise closures, and CALPIA wanted to recognize employees  
16 who exceeded the established standards of performance.

17 And these are the winners of the Superior  
18 Accomplishment Awards for 2020.

19 Our Team Recipients, employees from the Management  
20 Informations Systems Helpdesk Team, Maurtez Beckham, Tan Le,  
21 Tanner McCorkle, Allison Ramirez, Vitaliy Rudenkiy and Yev  
22 Temborski.

23 When COVID-19 caused CALPIA to work from home, the MIS  
24 Helpdesk Team, they were faced with the urgent challenge of  
25 supporting staff with the technology they needed to work from

1 home. Within a week, the MIS Helpdesk Team had to locate  
2 devices suitable to individual's needs. They had to configure  
3 new devices and support workers on packing up and sending home  
4 multiple technology tools. They did work tirelessly to  
5 provide remote support to people when setting up devices in  
6 their homes for emergency telework. And they just went above  
7 and beyond their normal duties by being flexible, creative,  
8 and diligent. Congratulations to them.

9 Also, moving forward, the Employees of the Business  
10 Services Contract Team, we have Teresa Bozysnki, Lisa Horrell,  
11 Samantha Patrick, and Quica Teames.

12 And these individuals listed above all played a  
13 critical role in the early success of CALPIA during the  
14 ongoing pandemic. In mid-March, Business Services immediately  
15 activated its emergency response protocol and organized an  
16 emergency task force which consisted of these four staff  
17 members. These employees facilitated and advised on emergency  
18 purchases of goods and services as they related to COVID-19.  
19 The efforts of these individuals have allowed CALPIA to put in  
20 place the contracts, purchasing documents needed to produce  
21 the newest CALPIA products, hand sanitizer, cloth-barrier  
22 masks, et cetera.

23 Not only have these individuals processed, facilitated  
24 and advised on numerous emergency purchase documents and  
25 contracts, they also spent countless hours researching federal

1 compliance regulations which resulted in the crafting of new  
2 procurement and contracting guidelines, special terms and  
3 conditions for all procurements related to COVID-19. So good  
4 job to Business Services Contract Team.

5 Our Central Office Staff Recipients, Anneka Barkey,  
6 Candace Higgins, and Sarah Johnson.

7 Anneka Barkey, in addition to her normal duties as an  
8 Associate Governmental Program Analyst in Human Resources,  
9 Anneka Barkey has served as the COVID-19 Coordinator for  
10 CALPIA Human Resources office. Ms. Barkey worked long hours  
11 to create policies to incorporate the Families First  
12 Coronavirus Response Act, the Emergency Paid Sick Leave Act,  
13 among others surrounding Departmental response to COVID-19 on  
14 topics such as positive tests for employees and a CALPIA  
15 Reopening Plan. She did such a great job. It takes a certain  
16 caliber of employee to rise to such challenge. And Ms. Barkey  
17 has far exceeded all normal expectations in this assignment.

18 Candace Higgins is a Prison Industries Administrator  
19 and Candace continues to make she impossible happen, as she  
20 coordinates logistics for CDCR's Urgent Emergency Supply  
21 Needs. CALPIA has worked closely with CDCR, became  
22 responsible for the transportation of PPE. Now, Ms. Higgins  
23 was able to incorporate all these urgent transportation needs  
24 while maintaining ongoing normal CALPIA deliveries. She built  
25 countless delivery schedules, coordinated outside

1 transportation contractors, redirected necessary resources and  
2 just worked tirelessly to ensure all deliveries were made.  
3 Ms. Higgins manages three transportation locations across the  
4 state and she communicated frequently with all the  
5 transportation/distribution staff to ensure they knew how  
6 important they are and how much their safety means to her and  
7 CALPIA. She made sure that her staff were provided the  
8 necessary PPE to keep them safe from the very beginning.

9 And Sarah Johnson, she is the Management Services  
10 Technician. Sarah, she shows continuous dedication and hard  
11 work to CALPIA, and it has been evident during this pandemic.  
12 On April 6, 2020, Customer Service Staff was placed on ATO.  
13 Ms. Johnson was the only Customer Service Representative  
14 inside Central Office handling all the duties at Customer  
15 Service. Duties that were usually divided among six Customer  
16 Service Representatives were handled by her. Her main duties  
17 included answering telephone calls, processing purchase orders  
18 from start to finish. Ms. Johnson also made sure that  
19 priority orders for chemical products or other emergency  
20 supplies were processed instantly. Ms. Johnson maintains that  
21 can-do spirit and positive attitude and is a true asset to  
22 CALPIA.

23 Now to our Field Staff Recipients. We have Ruth  
24 Cooper, Eric Owens and Bill Anderson.

25 Now, Ruth Cooper, she's a Superintendent II at Mule

1 Creek State Prison. And when the pandemic began at CDCR, we  
2 all had a dire need for cloth-barrier masks. Due to Ruth  
3 Cooper's experience as a pattern maker and Fabric Engineer,  
4 she was able to quickly design a cloth-barrier mask to meet  
5 the immediate needs of CDCR. She researched the best material  
6 options and identified an ongoing supply chain. She worked  
7 continuously with the Fabric Superintendents to ensure each  
8 location had the materials and fabrics needed to produce these  
9 barrier masks. And Ruth is just -- she is a go-getter. It  
10 has been incredible to watch Ruth face the challenges of  
11 COVID-19. She has worked diligently with our Fabric  
12 Engineering and Fabric Products teams to ensure that CDCR and  
13 other State agencies have the protected barrier masks to  
14 reduce the spread of Covid. And Ms. Cooper continues to  
15 research fabric methods and materials for cloth-barrier masks  
16 and she also maintains that positive attitude throughout these  
17 difficult times.

18 Eric Owens, he's a Custodian Supervisor II at San  
19 Quentin State Prison. Now, Eric has been a dedicated staff  
20 member at San Quentin since the activation of the Health Care  
21 Facilities Maintenance Program in September of 2015. The HFM  
22 Program supports providing cleaning in health care  
23 environments inside the prison while teaching job skills to  
24 incarcerated individuals. Now, Mr. Owens represented CALPIA  
25 as the Unified Command Post was established at San Quentin

1 back then during the outbreak. Now, in addition to  
2 coordinating the effort for CALPIA and San Quentin, Mr. Owens,  
3 he continued cleaning healthcare areas. He cleaned areas as  
4 needed by San Quentin with the shifting COVID-19 priorities,  
5 supervised crews, and he literally got on his hands and knees  
6 doing the cleaning himself. Way to go, Eric. Mr. Owens  
7 coordinated to get needed supplies, materials, support. His  
8 dedication led to the Unified Command Post seeking for CALPIA  
9 to expand services into the alternate COVID-19 areas as his  
10 level of cleaning, disinfection and determination to serve  
11 incarcerated individuals at San Quentin was remarkable.

12           And next, William "Bill" Anderson, Superintendent II,  
13 at Correctional Training Facility. Bill Anderson is an  
14 extraordinary employee, but, more importantly, a very humble  
15 leader. True to Mr. Anderson's nature, he spearheaded the  
16 procurement, manufacturing and distribution of all raw  
17 materials for CALPIA's cloth-barrier mask production. It is  
18 easy to overlook the logistics and procurement obstacles of  
19 how Bill managed to arise to the task at hand, especially  
20 during a never-before seen high demand of raw materials  
21 worldwide. Bill is incredible in how he handles the efforts  
22 of one particular person, he can make the difference and have  
23 his actions quietly resonate throughout the entire State of  
24 California. Mr. Anderson's resiliency and visionary  
25 character, ensured our organization never lost track of the



1 goal in mind. Throughout this pandemic, Mr. Anderson has  
2 never sought out recognition or accolades. He simply led by  
3 example, worked tirelessly, stayed late, stayed engaged, and  
4 maintained an attitude of servitude for our organization and  
5 his staff.

6 So each of these staff in their respective areas have  
7 exceeded all the expectations in the performance of their jobs  
8 and have added value to CALPIA. CALPIA is an agency defined,  
9 of course, not only by its mission and operations, but also  
10 the commitment of its staff and partners. And on behalf of  
11 CALPIA, sincere appreciation and gratitude go out to all of  
12 these awardees for their hard work and service. And  
13 congratulations to all of them.

14 GENERAL MANAGER WALKER: Thank you, Michele.

15 Jeff, Mr. Chair, we'll turn it back over to you for  
16 Public Comment.

17 BOARD CHAIR MACOMBER: Thank you.

18 We now move on to the portion of the meeting reserved  
19 for comment regarding items not on the agenda. Under  
20 Bagley-Keene Act, the Board cannot act on items raised during  
21 Public Comment but may respond briefly to statements made or  
22 questions posed or it may request clarification or refer the  
23 item to staff.

24 If any member of the public would like to make a  
25 comment or address the Board, please dial star-six. The

1 meeting organizer will place you in order and will call out  
2 the last four digits of your phone number when it is your time  
3 to speak. Please make sure to announce your full name and  
4 affiliation before your comment so we can make note in our  
5 records.

6 BOARD SECRETARY MURRAY: And then, looking at our  
7 Host, Suzie Changus, and we do not have anybody in queue.

8 BOARD CHAIR MACOMBER: Thank you. This concludes our  
9 Prison Industry Board Meeting of December 16th, 2020.

10 Is there a motion to adjourn the meeting?

11 BOARD MEMBER AGHAKHANIAN: Actually, I would like to  
12 make a closing remark, if it is okay? I do want to take this  
13 opportunity to not only thank my colleagues but also Jessica  
14 Murray for, you know, being consistent and following through,  
15 Scott and the whole team.

16 As some of you know, this has been a very challenging  
17 year not only, you know, for all of us, but, also, especially  
18 when it comes to low-income families. As you're aware, you  
19 know, I work at East L.A. College and we've seen a tremendous  
20 increase in homelessness, domestic violence and digital  
21 divide. And I want to take this opportunity to thank CALPIA  
22 and all of our, you know, individuals who worked hard to  
23 donate those refurbished laptops. We're getting nothing but  
24 good feedback from our students. Students, by the way, did  
25 get Chromebooks, but Chromebooks do not work as well as some

1 of the refurbished laptops we had. I just had a case  
2 yesterday, last week with a mother who dropped out of college  
3 because the Chromebook that was given to her just doesn't cut  
4 it when it comes to online education. Digital divide is  
5 becoming a very big challenge, especially for low-income  
6 families.

7 So I do want to take this opportunity on behalf of  
8 38,000-plus students at East L.A. College and our new  
9 president and the Board thanking CALPIA for your support. You  
10 really are transforming the lives of these students as well.  
11 And I'm happy to say that thanks to some of our efforts, also,  
12 we now have formerly incarcerated students. And for those of  
13 you who are not aware, East L.A. is home to the largest  
14 formerly-incarcerated student population in California. Now,  
15 thanks to your efforts, we have students not only continuing  
16 their education, but now we have students who are becoming  
17 part of our entrepreneurial and career tech program center at  
18 East L.A. And I want to thank all of you for your support  
19 and, you know, please stay safe and enjoy your holidays.  
20 Thank you very much.

21 BOARD MEMBER JENNINGS: I would like to thank  
22 everybody, too, and commend everyone for the job they have  
23 done at CALPIA through these difficult times. And I want to  
24 wish everybody Happy Holidays and stay safe. We're at -- the  
25 light's at the end of the tunnel. Don't get sick now.

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(Laughter)

BOARD MEMBER AGHAKHANIAN: I would like to make a motion to adjourn, if it's okay?

BOARD MEMBER JENNINGS: I'll second it.

BOARD SECRETARY MURRAY: Thank you, Mr. Aghakhanian and Mr. Jennings.

Mr. Macomber, would you like to adjourn the meeting?

BOARD CHAIR MACOMBER: Yes. All in favor?

ALL BOARD MEMBERS: Aye.

BOARD CHAIR MACOMBER: The motion carries. This concludes our meeting and we are adjourned at 11:59 a.m.

(Off the record at 11:59 a.m.)

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**REPORTER'S CERTIFICATE**

STATE OF CALIFORNIA        )  
  )  
COUNTY OF CONTRA COSTA    )

I, ANN R. LEITZ, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the Zoom Board Meeting was taken before me, in shorthand writing, and was thereafter transcribed, and is a true and correct transcript of my shorthand notes so taken.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 11th day of January, 2021

/s:/Ann R. Leitz

\_\_\_\_\_  
ANN R. LEITZ, CSR NO. 9149

Revised: July 1, 2021