

California Prison Industry Authority

Report to the Legislature Fiscal Year 2008-2009



Producing Results & Reducing Recidivism

The California Prison Industry Authority's (CALPIA) Fiscal Year 2008-09 Report to the Legislature is submitted pursuant to Chapter 1549, Statutes of 1982 as embodied in paragraph 2808 (k) of the California Penal Code.



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Governor
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California Prison Industry Authority

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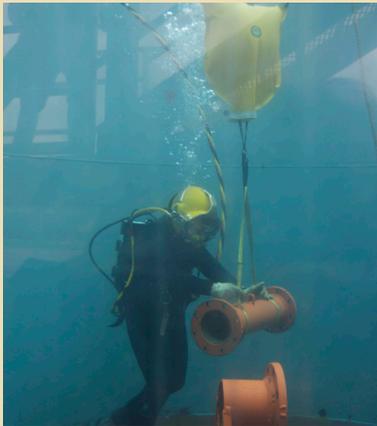
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California Prison Industry Authority

Producing Results



Job Skills Earned

while incarcerated are proven to increase the possibility of reintegration into society and reduce recidivism

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California Prison Industry Authority

The Penal Code established CALPIA to:

- Develop and operate manufacturing, agricultural, and service enterprises that provide work opportunities for inmates under the jurisdiction of California Department of Corrections and Rehabilitation (CDCR), and serve governmental agencies with products and services commensurate with their needs.
- Create and maintain working conditions within enterprises, as much like those which prevail in private industry as possible, to assure inmates assigned therein the opportunity to work productively to earn funds, and to acquire or improve effective work habits or occupational skills.
- Operate work programs for inmates that are self-supporting through the generation of sufficient funds from the sale of products and services to pay all its expenses, thereby avoiding the cost of alternative inmate programming by CDCR.

CALPIA Saves Taxpayers Money

- Former inmates who participated in CALPIA programs are less likely to return to prison than general population inmates. They are significantly more likely to become productive workers that pay taxes instead of costing California taxpayers approximately \$49,000 per year¹.
- CALPIA's programs provide employers with a trained workforce. Many former CALPIA inmates receive industry accredited certifications that employers want, through partnerships with community support groups they are more likely to transition back into their community.
- CALPIA provides the state's prison system with an effective safety management tool that reduces prison violence.



CALPIA programs save tax dollars by reducing recidivism

1. Legislative Analyst's Office (March 2009) Report to Senate Budget Sub No.4.

CALPIA Reduces Recidivism

CALPIA Reduces Recidivism & Saves Money

A tool we use to measure our success is to review our recidivism rate. Over a three year period, beginning in FY 2005-06, CALPIA parolees return to prison on average 22 to 30 percent less often than CDCR general population parolees. This is highlighted in the chart below comparing CDCR's and CALPIA's recidivism rates.

Table 1: The following table shows the one, two and three year recidivism rates for CALPIA inmate workers and for CDCR General Population parolees (as reported September 2009 by the CDCR Office of Research), and the variance percentages associated with each.

Fiscal Year	CALPIA	CDCR	CALPIA	CDCR	VAR*	CALPIA	CDCR	VAR*	CALPIA	CDCR	VAR*		
	Total number of parolees	Total number of parolees	1 year Percent	1 year Percent**	1 year Percent	2 year Percent	2 year Percent**	2 year Percent	3 year Percent	3 year Percent**	3 year Percent		
07/08	1,637	116,497	31.83%	42.18%	24.54%	39.71%							
06/07	1,853	115,522	30.87%	43.20%	28.54%	43.34%	55.83%	22.39%	44.41%				
05/06	1,822	108,637	32.44%	44.92%	27.80%	43.19%	58.77%	26.50%	43.63%	62.51%	30.20%		
Average Variance					26.95%	Average Variance			22.39%	Average Variance			30.20%

Using FY 2007-08, CALPIA employed about 6,800 inmate workers and had a parole population of 1,637 parolees. Of the 1,637 parolees, 521 (31.83%) returned to custody within one year. Of the 521 CALPIA parolees, 148 (28.41%) inmates returned with new terms and 373 (71.59%) returned to custody on parole violations. The remaining 1,116 parolees stayed out of the criminal justice system in that year.

Using a CDCR-wide recidivism rate of 42.18%, we would have expected 690 of the same population to reoffend, within the first year, a difference of an additional 169 re-offenders than CALPIA.

Of the 169 re-offenders, 48 (28.14%) returned on a parole violation with a new term at an estimated cost of \$2.3 million for incarceration and \$1.9 million for judicial costs. Depending on the length of the new term, the remaining 121 (71.59%) inmates returned to custody at an estimated cost of \$2.4 to \$3.5 million.

When the cost of incarceration and prosecution of these 169 is added to the nearly \$1.3 million cost to local law enforcement, it is conservatively estimated that CALPIA saves taxpayers up to \$9 million annually due to lower recidivism.

California Prison Industry Authority

CALPIA is a self-supporting, customer-focused business that provides productive work, training, and skill development opportunities which reduce the recidivism of CDCR inmates.



CALPIA rehabilitates inmates through job training, which leads to employment opportunities upon release.

California Prison Industry Authority

CALPIA manages 60 manufacturing, service and agriculture industries in 23 institutions providing employment and programming for approximately 6,800 inmates at California’s penal institutions with CDCR. Administrative offices are located in Folsom, California.

Products and Services

CALPIA is self-supporting through the sales of its products and services primarily to the State of California departments and receives no general fund appropriation from the Legislature. CALPIA spends its revenue dollars to cover the cost of raw materials, inmate supervision, inmate payroll, transportation and distribution, capital acquisition, debt reduction, expansion, and central office administration. Any profits that CALPIA achieves are reinvested into the organization to expand into new business, invest in vocational education, modernize existing enterprises or upgrade State facilities and fund other post employment benefits as required by law.

Program Goal

Our program goal: to produce CALPIA trained inmates that will have not only a job skill, good work habits, and basic education, but also job support in the community when they parole.

By being economically self-supporting, CALPIA reduces CDCR inmate programming costs.

What’s New at CALPIA

California Assistive Technologies Enterprise (CATE)

CALPIA will fund and administer CATE at Folsom State Prison to benefit blind, visually and hearing impaired members of the community.

Products and services provided by CATE will include:

- Braille Transcription
- ADA Compliant Websites
- Aural Media/Recordings
- Post Production Closed Captioning

Career Technical Education (CTE)

California Prison Industry Authority

What's New at CALPIA

Due to the state's ongoing fiscal crisis and reductions to CDCR's vocational education programs, CALPIA will fully fund the Career Technical Education (CTE) program.

Previously, this program was funded through an agreement with CDCR and administered by CALPIA. Since its inception, the CTE programs run by CALPIA have had a combined recidivism rate of approximately 10 percent.

CALPIA's CTE programs provide opportunities for over 370 inmates per year in seven different CTE programs. Certifications in transferable skills ranging from commercial diving and underwater construction to carpentry pre-apprenticeship training programs are offered. Upon completion of the training, paroling inmates are eligible for placement in a full-scale apprenticeship program.

The CTE program not only provides training in technical skills, but also instills a professional attitude of determination, perseverance, and courage. Together, these skills provide graduates with more than just employment opportunities, they provide parolees opportunities that are proven to reduce recidivism rates.

In partnership with CALPIA, the Northern California Carpenters Regional Council, the International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers, and the Northern California District Council of Laborers allow paroled CTE Graduates to be eligible for placement in pre-apprenticeship jobs.



CALPIA's CTE Programs have a recidivism rate of approximately 10 percent.

California Prison Industry Authority

Marine Technology Training Center (MTTC)

CALPIA operates the Leonard Greenstone Marine Technology Training Center (MTTC). This 18-month program provides training in diverse curriculum including diving physics, navigation, welding, blueprint reading, diesel engines, and marine construction. MTTC graduates meet the standards required by the U.S. Coast Guard, the United States Department of Labor, OSHA Occupational Safety and Health Administration, and the Association of Diving Contractors International. The MTTC works closely with representatives in the underwater construction industry to ensure the program's graduates secure jobs after release.

Career Technical Education – Pre-Apprenticeship Programs Carpentry / Ironworking / General Laborer

In 2009, 121 inmates graduated with pre-apprenticeship program diplomas. The pre-apprenticeship programs have successfully delivered several projects assisting with design development, architecture and engineering, project management and oversight. By offsetting expenses, and providing only the funding required for specialty contracts and building materials, the host institution can accomplish projects that may otherwise be cost prohibitive.

Career Technical Education – Modular Building Enterprise (MBE)

CALPIA opened its first 30,000 square foot modular building manufacturing facility at Folsom State Prison in 2006. The facility is International Standards Organization 9001 certified and produces modular buildings with thirty-year life spans as opposed to the typical seven year life of the average modular building. The MBE is capable of producing up to 400 square feet of manufactured building on a daily basis, seven days per week. Inmates enrolled in the MBE are trained in the practice and theory of pre-apprenticeship carpentry, ironworking, and labor, with the option to receive certifications in welding and network cabling.

California Prison Industry Authority



- CALPIA is committed to gaining expertise to promote principles of sustainability in our operations, our practice, and our products.
- By searching out and applying sustainability in practices we endeavor to reduce our environmental load.
- CALPIA complies with all safety and environmental regulations and continuously works to improve environmental performance.



California Prison Industry Authority



CALPIA is responsive to its customers, produces quality products at competitive prices, and saves taxpayers money by reducing the State's recidivism rate through productive inmate work assignments and effective training. CALPIA work assignments are also a valuable inmate management tool that increases prison safety.

The new California Green product line provides our customers with both a biodegradable glass cleaner and multipurpose surface cleaner. Additionally, CALPIA distributes the California Green cleaner dispenser to further reduce waste, saving our customers money.

California Green

Glass Cleaner Concentrate

- Environmentally preferable glass cleaner
- Biodegradable formula does not contain harsh polluting or toxic chemicals
- Cleans quickly and does not streak, smear or smudge

California Green

Multipurpose Cleaner Concentrate

- Biodegradable and does not contain harsh or toxic chemicals
- Superior cleaning performance on numerous surfaces
- Leaves no alkaline residue, even in hard water conditions

CALPIA is offering a new line of environmentally responsible cleaning products

Inmate Employability Program

California Prison Industry Authority



Inmate Employability Program

CALPIA supports CDCR's rehabilitation mission through job training, which leads to employment opportunities for parolees upon release. In 2002, to enhance the employability of inmates, CALPIA created the Inmate Employability Program, which uses CALPIA factories and enterprises as the foundation for skill development, facilitates program development and industry accredited certification for inmates' successful reentry back into society. CALPIA enterprises currently meet 15 out of the top 50 projected occupational openings for 2006 to 2016, per the Employment Development Department, California Labor Market statistics. Within the FY 2008-09, CALPIA provided 370 industry accredited certifications, graduated 121 Career Technical Education inmates with certifications in carpentry, ironworking, and general labor, graduated 9 inmates from Marine Technology Training Center, and provided over 1,700 additional inmates with Certificates of Proficiency based on meeting criteria of the Standard Operational Codes.

California Prison Industry Authority

CALPIA Identification Pilot

CALPIA implemented and continues to provide the only California Identification Pilot to parolees in California through the agreements with the California Department of Motor Vehicles at four institutions. Since its inception in September 2008, over 285 inmates have participated in the program, of which 128 parolees (44 %) have purchased their California identification or driver license, at no cost to CDCR or CALPIA, and received them at the gates upon release. Of the 128 parolees with less than a year's recidivism data gathered to date, only five (3.9 %) have returned to custody.

Transition to Employment Program

CALPIA recognizes that for inmates to have a better chance to succeed once paroled, they need an additional support system. In FY 2008-09 CALPIA was selected by the National Correctional Industries Association to be a member of one of the first all correctional industry teams (from 12 states) to participate in the National Institute of Corrections and the National Career Development Association, Offender Workforce Development Specialist Partnership Training Program. The training was developed to provide participants with the skills needed to assist offenders with career planning, job placement, job retention, and career advancement. The correctional team will develop a program model that can be implemented within the institutional settings prior to parole.

California Prison Industry Authority

Contributes to Victim Assistance

The Joint/Free Venture Program contributed \$111,287 to victim assistance groups for FY 2008.

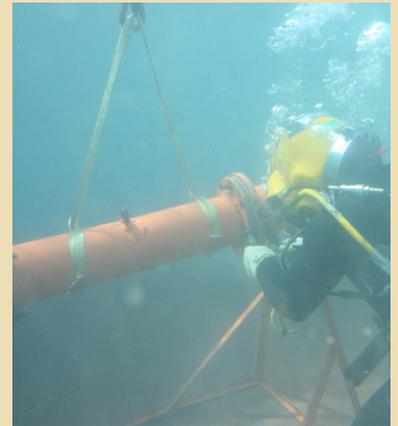
The CDCR's Joint/Free Venture Program is managed by CALPIA. These programs offer valuable benefits to business owners across the State while providing productive work experience for the California youthful offender population. These programs involve a working relationship between the public sector and private industry. The industry sets up and operates its business within the confines of the correctional facility and hires motivated inmate/ward workers as its employees at industry comparable wages. The inmate/wards receive training for meaningful jobs, subsequently aiding their successful community placement. Major benefits of this program are deductions for victim restitution, repayment of CDCR room and board, tax incentives to the business owner and decreasing State costs.

Program Benefits

- Inmates/wards develop sound work habits, gaining job experience and references
- Decreased problems associated with inmate/ward idleness
- Offenders return to society as well trained, motivated individuals with savings and skills, decreasing the level of crime in the community
- The Joint/Free Venture Program contributed \$111,287 to victim assistance groups in FY 2008-09
- Combining payroll taxes, room and board payments, and victim compensation, the Joint/Free Venture Program ward/inmate employees have returned over \$12,078,330 million to public since July 1991

The Joint Venture Program was established in 1990 upon the passage of Proposition 139 the Prison Inmate Labor Initiative.

California Prison Industry Authority



Learning Job Skills

prepare inmates for
successful transition
back into society

CALPIA supports the CDCR's mission to promote public safety through effective rehabilitation and, in terms of recidivism reduction, is among CDCR's most successful programs.

Industry Accreditations

Creating a Ready Workforce

American Board of Opticianry

Optician

American Institute of Baking

Type: Science of Baking

Bread/Rolls

Cake/Sweet Goods

Foundations

Ingredient Technician

American Welding Society

Type: **Mig**

Gas Metal Arc Welding (GMAW) -1

Type: **Tig**

Gas Tungsten Arc Welding (GTAW) -1

Gas Tungsten Arc Welding (GTAW) -2

Gas Tungsten Arc Welding (GTAW) -3

CAL Dept of Food & AG

Pasteurizer License

Sampler/Weigher License

CAL Dept of Health Services

Final Inspector

Electronics Technicians Association

Customer Service Specialist

Certified Electronics Technician

Industrial Journeyman

Federal Communication Control

Hyster

Forklift Operator Certification

Association for Linen Management

Certified Linen Technician

Certified Washroom Technician

Certified Laundry Linen Manager

National Institute of Metalworking Skills

Machining, Level I

Metal Forming, Level I

Metal Stamping, Level II

National Restaurant Association

ServSafe Essentials

ServSafe Employee Guide

North American Technician Excellence

	Installation	Service
HVAC Type:	A/C	A/C
	Air Dist.	Air Dist.
	Heat Pumps	Heat Pumps
	Gas Heat	Gas Heat
	Oil Heat	Oil Heat

Printing Industries of America

Sheetfed Offset Press

Web Offset Press

Bindery

Productivity Training Corporation

Dental Technician

Stiles Machinery Inc.

Intermediate Weeke Machining

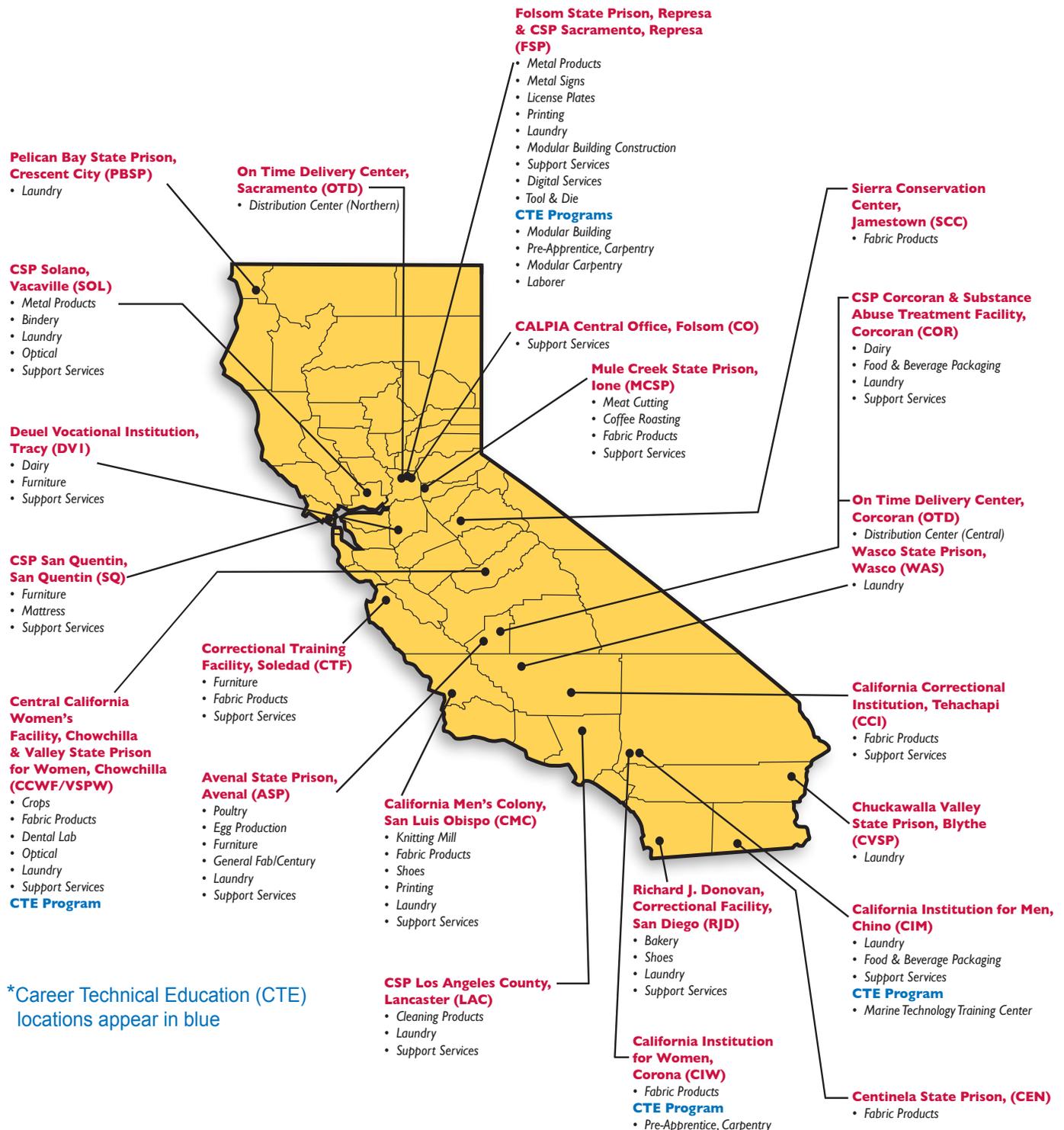
Center Programing

Select Stiles Breeding Corporation

Artificial Insemination License



CALPIA Enterprises and Career Technical Education Locations (CTE)*



*Career Technical Education (CTE) locations appear in blue

Sales and Expenses

Sales (In Thousands)	FY 2007-08 Actuals Audited	FY 2008-09 Actuals Audited
Manufacturing	\$106,629	\$123,185
Services	71,658	80,326
Agricultural	31,245	30,722
Total Revenue	\$209,532	\$234,233
Expenses (In Thousands)		
Cost of Goods Sold		
Manufacturing	\$86,367	\$101,745
Services	53,572	55,078
Agricultural	30,507	29,481
Total Cost of Goods Sold	\$170,446	\$186,304
Gross Profit	\$39,086	\$47,929
Selling & Administration Expenses (In Thousands)		
Distribution/Transportation	\$15,553	\$13,727
Central Office	20,421	21,092
Post Employment Benefit-other than pension¹	6,637	6,001
Total Selling & Administration Expenses	\$42,611	\$40,820
Operating Income/(Loss)	(\$3,525)	\$7,109
Non-Operating Revenues/(Expenses)	\$571	(\$150)
Net Gain (Loss)¹	(\$2,954)	\$6,959

¹Pursuant to Governmental Accounting Standards Board Statement 45-- *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*--beginning with fiscal year 2007-08, CALPIA is required to recognize the cost of unfunded actuarial accrued liabilities for retiree health benefit programs. This amount is determined by the State Controller's Office. Refer to independent audit report, footnote (9). CALPIA is one of only two state entities that must actually fund this expenditure. State agencies are allowed to footnote the liability without providing actual funds. If not for this liability, CALPIA would have recognized a \$3,112 million net profit in 2007/2008.

Sales by Enterprise

Enterprise	FY 2007-08	FY 2008-09
Manufacturing		
Metal Products	\$6,404,143	\$3,908,571
License Plates	13,559,436	10,904,074
General Fabrication	12,754,302	17,226,231
Bindery	2,959,896	3,636,349
Knitting Mill	2,055,710	1,785,709
Fabric Products	26,918,554	26,587,532
Silk Screen	73,352	54,242
Shoes	4,497,770	5,450,382
Mattresses	2,932,994	2,598,543
Cleaning Products	3,767,089	6,157,438
Modular Construction	5,938,451	25,328,947
Furniture	24,767,204	19,547,224
	\$106,628,901	\$123,185,240
Services		
Meat Cutting	10,677,467	\$10,792,831
Bakery	2,759,052	3,442,818
Coffee Roasting	1,539,216	2,305,585
Digital Services	0	5,766
Food & Beverage Packaging	11,198,080	16,120,041
Metal Signs	1,115,772	1,324,069
Printing	7,468,526	7,573,647
Dental Lab	520,381	607,289
Laundry	15,392,253	16,665,143
Optical	20,986,880	21,488,391
	\$71,657,627	\$80,325,580
Agricultural		
Dairy/Farm	15,456,923	15,193,773
Crops	1,470,246	1,341,100
Poultry	6,290,546	6,746,286
Egg Production	8,027,517	7,441,017
	\$31,245,232	\$30,722,176
Total	\$209,531,760	\$234,232,998

Inmate Labor by Location

Location	Average Monthly Filled Inmate Assignments	
	FY 2007-08	FY 2008-09
California Institution for Men	244	202
California Men's Colony	724	664
R.J. Donovan Correctional Facility	418	428
Correctional Training Facility	622	592
Avenal State Prison	584	553
Deuel Vocational Institution	257	251
Folsom State Prison/CSP Sacramento	569	682
San Quentin State Prison	302	323
California Institution for Women	145	158
California Correctional Institution	277	305
California State Prison, Solano	613	657
Mule Creek State Prison	382	387
Corcoran State Prison/Substance Abuse Treatment Facility	580	495
Chuckawalla Valley State Prison	54	58
Pelican Bay State Prison	96	120
Sierra Conservation Center	150	131
Central California Women's Facility/Valley State Prison for Women	433	438
California State Prison, Lancaster	101	99
Wasco State Prison	83	76
Centinela State Prison	0	74
On Time Delivery, North	28	4
On Time Delivery, Central	12	21
On Time Delivery, South	7	0
Central Office	42	32
Total	6,858	6,829