

## Not an enemy to small business

Agency that uses prison labor says it helps the state and doesn't crowd out competitors

*This opinion piece is a response to a story in the Nov. 9 Biz Smarts section for which the California Prison Industry Authority declined to comment.*

A story in the Business Journal on Nov. 9 reported small-business concerns about competition from the California Prison Industry Authority — but lacked important perspective.

The article correctly stated that some small businesses are experiencing decreasing sales to the California Department of Corrections and

Rehabilitation. However, competition from the authority — known as CALPIA — is not the reason.

As pointed out in the Business Journal story, other California small businesses have increased sales to the prison system.

The biggest factor for businesses that seek

to sell food to the state prison system is the declining number of prisoners. Small and large businesses continue to provide more than half of the food consumed in prisons.

Businesses also may sell to county jails, where populations are increasing, as well as to the vast private-sector food market, where by law CALPIA is restricted from competing.

Food packaging in California is a \$14 billion annual business. CALPIA's food sales are less than 0.1 percent of

this market. The program is overseen by a board that includes representation from both labor and the private sector. The board weighs testimony from the public before allowing any new enterprise to operate and avoids business lines that will have a substantial effect on industry. It also sets a maximum annual revenue amount for every product.

It is understandable that small businesses face disappointment when they are not awarded government contracts. However, it should concern everyone that more than 95 percent of those incarcerated in state prison will be released, and 63 percent of these will commit new crimes and return to prison.

It is no fault of the business community that some people are not law-abiding. But businesses and their customers are bearing the cost of this problem.

Some businesses, like those in the coalition, have a business model that only succeeds with an increasing prison population.

CALPIA was established to lower recidivism and the cost of incarcerating prisoners. By this metric, the program is a resounding success and it is emulated by other correctional departments across the United States. Offenders who work in the program come back to prison 25 percent to 30 percent less often than the general population of offenders.

Each incarcerated offender costs the state general fund over \$45,000 a year. CALPIA's rehabilitative model saves

the taxpayers millions of dollars per year and makes California a safer place.

According to the Business Journal, CALPIA is a political hot potato because it is designed to be a profitable enterprise. But by law, the program must be self-sufficient. It does not receive an appropriation from the state budget.

To the extent that CALPIA can sell to state and local governments, the more productive work opportunities it can offer offenders. Offenders develop good work habits and good attitudes that make them employable upon release. Becoming employed is a major factor that keeps parolees from returning to prison.

CALPIA has found that many offenders have never had a job and even more have no experience learning and succeeding in a work environment. Showing up for work, being respectful, accountable, and following health-and-safety rules is a life-transforming experience for most behind bars.

CALPIA's impact on private businesses, as pointed out by the Legislative Analyst's Office and the Governor's Office of Business and Economic Development, is both small and well worth the benefits to public safety. It is much less costly to taxpayers when former offenders have the skills and mindset to pursue work opportunities upon parole, help their families and become law abiding citizens.

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## Making party plans in a hurry

If you're anything like me, but have decided to continue living in spite of it, you tend to plan things at the last minute.

This works fine when your plans include nothing more complicated than purchasing a taco, reading a magazine or changing a light bulb. But it becomes problematic when you decide on the spur of the moment to add a wing onto your house, go on a bird-watching tour in the Islamic Republic of Afghanistan or, scariest of all ... plan an event!

I had written in my daily blog that

**Terry Foley** (email him at [qpone@hotmail.com](mailto:qpone@hotmail.com)) planned the recent hugely successful fundraiser for kids entertainer **Francie Dillon**. What I neglected to cite was that Foley pulled together this event at **FairyTale**

**Town** — that drew a crowd of several hundred — in just 30 days. Here are some of Foley's tips for hasty-event planning:

- **Cost:** "Figure out a budget," he says. "Know what you can spend before you start spending. If all you have is a beer budget, better cancel the horse-drawn carriages and foot-soldiers."

- **Timing:** Select "a date that works for everyone. Make sure that you have considered all the potential conflicts (like) three-day weekends, religious holidays, Election day, etc."

- **Location:** For short-term planning — this was my favorite of his tips — Foley says, "Choose a venue that's already decorated, like FairyTale Town, for instance, so that you don't have to spend time and money decorating."

- **Entertainment:** It may not be necessary, he says. "Sometimes, something as simple as a stereo player might do the trick."

- **Invitations:** Foley says that if you're planning a company event "your email may be all you need to invite your guests." But "to make it a bit more special, actual invites or even a hand-written note card makes it a bit more personal. And "you may need to develop a website, Facebook page and Twitter account."

Finally, Foley reminds planners to show up. "both literally and metaphorically. "Make sure," he says, "that your guests feel welcomed and acknowledged. No matter the size of the event I have produced, I have always planned it with the thought that I am hosting them in my home."

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### FEEDBACK

Comments posted at [sacramento-businessjournal.com](http://sacramento-businessjournal.com) about last week's **Business Pulse Survey**, which asked: **What's the best step for Raley's to stay competitive?**

"Set their price points appropriately. They used to be considered spendy; now Safeway is more expensive — yet Raley's has much better service. Cater to the folks who appreciate great service and quality products."

— Darrin Simmons

"Unions, taxes, and regulations equal the end of the California dream for anyone who wants to start or run a business here."

— Augie Garcia

"How about continuing as they've done to be as successful as they are?"

— Steve Holmes

"Sad that the most popular solution is to join Wal-Mart and stop paying people a living wage. You can't raise a family on \$9 per hour. If we keep pushing down incomes, this country will qualify for third-world country status in our lifetime — with a small wealthy class, a small middle class, and a very large class of working poor."

— David C. Randolph

"They're not successful as they are now. More

and more customers are jumping ship to the dis-counters. They, like most grocery stores, have added more profitable items to the product mix like potting soil and gifts to offset the eroding margins on food items. They can't raise prices so the only way for them to become profitable is to reduce expenses and the largest expense is labor, union labor. It doesn't take a \$35-per-hour employee to slide groceries across a scanner and put them into a grocery bag."

— Steve Folino

"The correct answer to this survey is obvious unless you carry a union card."

— Steve Hamilton

"There are plenty of successful companies such as FedEx that have unionized employees."

— Angie Balderas

**On the first cap-and-trade emissions auction in California:**

"This is not about anything but the extra \$4 billion in revenue a year for the state with no effect on the environment. Watch your gas costs, cement costs and any other product that has energy involved."

— David Garesse

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