

## 5420 Prison Industry Authority

The California Prison Industry Authority (CALPIA) is a self-supporting state entity operating California's correctional industries in a manner similar to private industry. The CALPIA is overseen by the Prison Industry Board, which acts much like a corporate board of directors. The Board is composed of 11 members, including the Secretary of the California Department of Corrections and Rehabilitation (CDCR) or his or her designee, the Director of the Department of General Services or his or her designee, the Secretary of Business, Transportation and Housing or his or her designee, two public members appointed by the Speaker of the Assembly, two public members appointed by the Senate Committee on Rules, and four members appointed by the Governor representing organized labor and the industry. The Secretary of the CDCR serves as chair of the Board.

The CALPIA supports the public safety mission of the CDCR by producing well-trained offenders that have a job skill, good work habits, basic education, and job support in the community to reduce the likelihood of returning to prison. The CALPIA work programs also help the CDCR to avoid the cost of alternative inmate programming for program participants.

The CALPIA has three statutory objectives: 1) develop and operate manufacturing, agricultural, and service enterprises that provide work opportunities for offenders under the jurisdiction of the CDCR; 2) create and maintain working conditions within enterprises similar to those which prevail in private industry to assure offenders assigned therein the opportunity to work productively to earn funds and to acquire or improve effective work habits and occupational skills; and 3) operate work programs for offenders that are self-supporting through the generation of sufficient funds from the sale of products and services to pay all program expenses, and which provide goods and services to be used by the CDCR, thereby reducing the costs of its operation. The CALPIA receives no annual appropriation from the Legislature.

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### LEGAL CITATIONS AND AUTHORITY

Penal Code, Part 3, Title 1, Chapter 6, Article 1 (Sections 2800-2818).

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\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

## 5420 Prison Industry Authority - Continued

### Statements of Revenues, Expenses, and Changes in Net Assets

	2012-13 AUDITED	2013-14 AUDITED	2014-15 ANNUAL PLAN
OPERATING REVENUES			
TOTAL OPERATING REVENUES	\$180,246,012	\$192,642,800	\$196,265,305
COST OF GOODS SOLD			
	141,653,634	146,484,230	149,965,097
GROSS PROFIT	\$38,592,378	\$46,158,570	\$46,300,208
SELLING AND ADMINISTRATIVE EXPENSES			
	38,089,843	41,639,600	45,652,798
OPERATING INCOME (LOSS)	\$502,535	\$4,518,970	\$647,410
NON-OPERATING REVENUES (EXPENSES)			
Interest income	209,089	168,509	163,500
Interest expense	-2,530	-3,168	-1,000
Loss from disposal of capital assets	-678,656	-344,594	-366,851
Transfer to State General Fund	0	-13,000,000	0
Other revenue (expenses)	-113,533	-139,981	4,300
TOTAL NON-OPERATING REVENUES (EXPENSES)	-\$585,630	-\$13,319,234	-\$200,051
Change in net position	-83,095	-8,800,264	447,359
NET POSITION AT BEGINNING OF YEAR	95,328,037	95,244,942	86,444,678
NET POSITION AT END OF YEAR	<b>\$95,244,942</b>	<b>\$86,444,678</b>	<b>\$86,892,037</b>
NET ASSETS AT END OF YEAR			
Restricted Assets <sup>1</sup>	55,983,821	45,137,731	55,377,880
Unrestricted Assets <sup>2</sup>	39,261,121	41,306,947	31,514,157
Net Assets	<b>\$95,244,942</b>	<b>\$86,444,678</b>	<b>\$86,892,037</b>

<sup>1</sup> Restricted Assets are Net Investments allocated for a specific purpose in Capital Assets and cash or other items of value that are legally or contractually restricted.

<sup>2</sup> Unrestricted Assets are assets that have value and have no restrictions regarding their use or function. This includes cash and other liquid assets.

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