

Another Voice

Not an enemy to small business

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

Premium content from Sacramento Business Journal by Eric Reslock

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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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