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JOINT VENTURE PROGRAM



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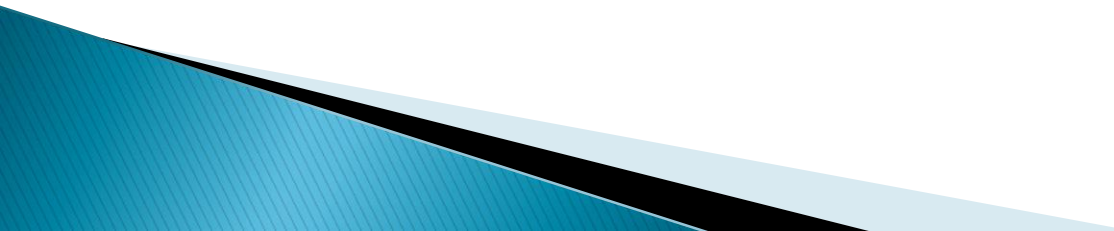


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Free
VENTURE
PROGRAM

Joint Venture Program

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 - ❖ Current Joint Venture Programs
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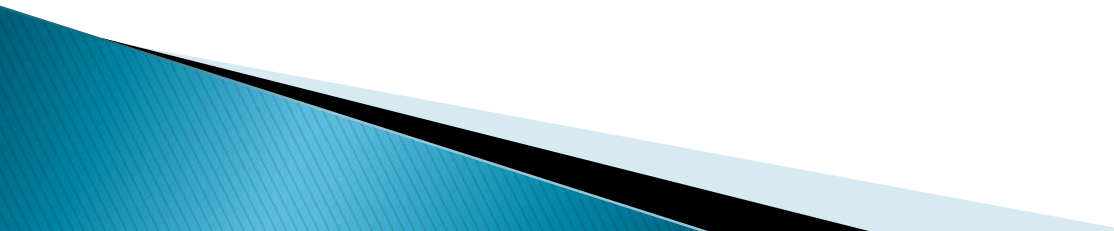
Program Goals

Program Goals

Identify, develop, and implement joint venture businesses to create a cooperative rehabilitation effort between the State or county and offender participants by enhancing job skills while reducing incarceration costs, recidivism, and prison violence.

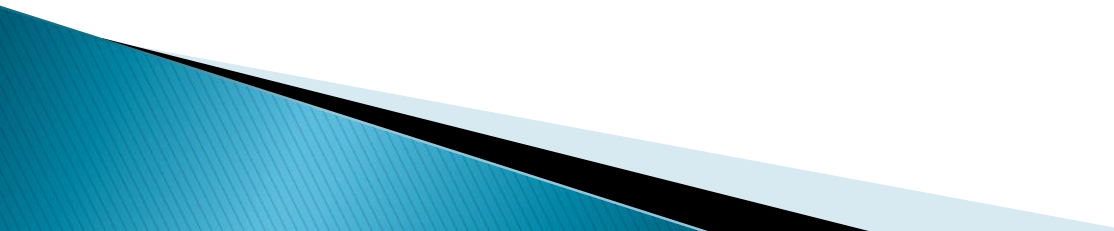
Program Goals (continued)

The Joint Venture Program is designed to:

- ❖ Offer offenders employment, work experience, and training in marketable job skills that may provide job opportunities upon release
 - ❖ Provide business employment to offenders that will reduce the tax burden of the State through mandatory deductions from offenders–employees' earnings
 - ❖ Address the reduction of offender idleness, provide tangible reward to the offender for job accomplishments, and promote work ethics
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Program Description

Program Description

- ❖ Proposition 139
 - ❖ Program Mandates
 - ❖ Employer Benefits
 - ❖ Economic Benefits to the Public
 - ❖ Social Benefits
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Proposition 139

The Joint Venture Program was established in 1990 upon the passage of Proposition 139, the Prison Inmate Labor Initiative, as a rehabilitative endeavor providing opportunities for offenders to gain valuable work experience and job skills training.

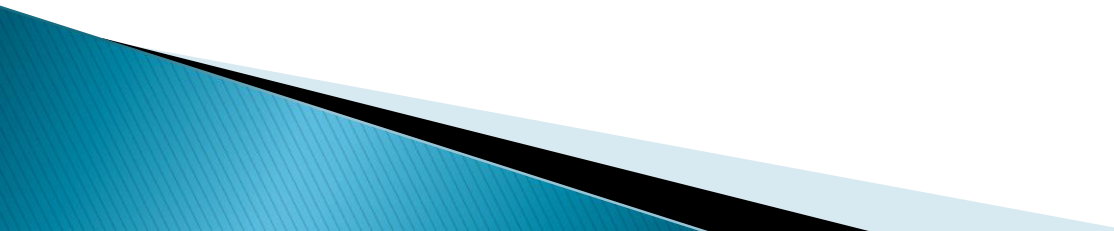
Program Mandates

Under the provisions of Proposition 139, private businesses can set up operations inside California State Prisons or county jails and utilize offender labor.

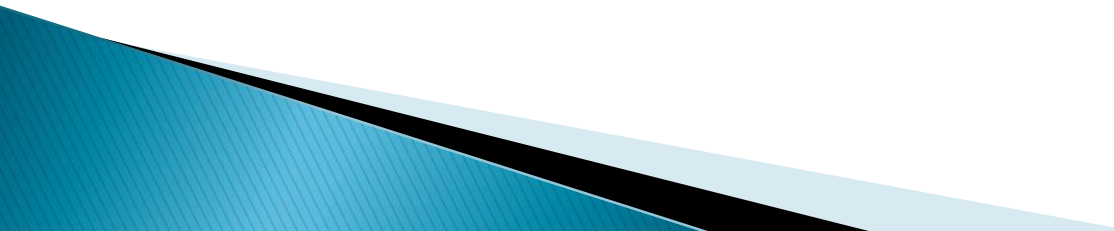
Under program guidelines, offenders are paid a comparable wage that is subject to deductions for:

- ❖ Federal, State, and local taxes
 - ❖ Room and board
 - ❖ Restitution fines or victim compensation
 - ❖ Family support
 - ❖ Mandatory offender savings
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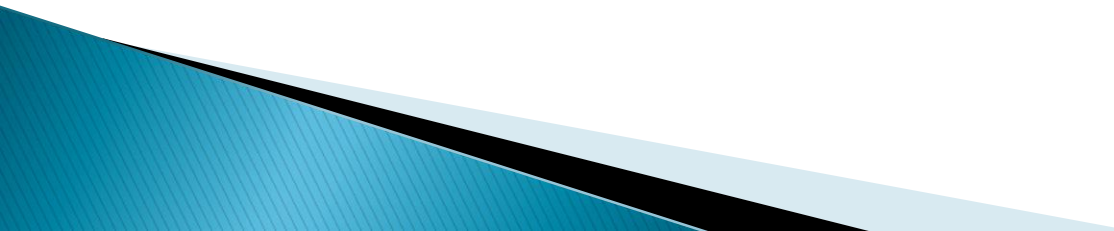
Employer Benefits

- ❖ Prison Inmate Labor Credit (Form FTB 3507) – State tax incentive for the employment of inmates which provides employer a credit equal to 10% of the wages paid to each inmate during the taxable year
 - ❖ No benefit expenses (retirement, vacation, sick leave or medical)
 - ❖ Cost effective, long-term lease agreements – Offer space and/or land at no cost.
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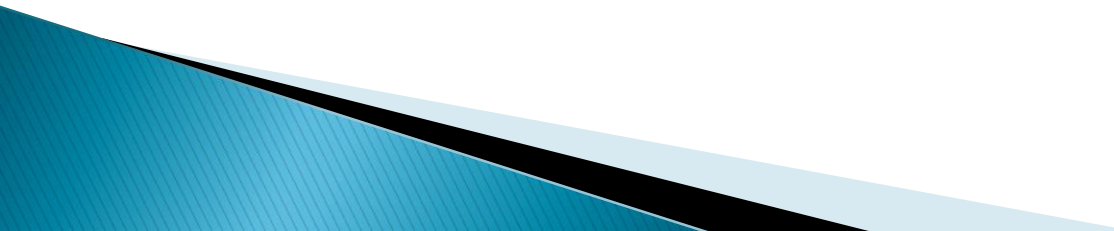
Employer Benefits (continued)

- ❖ Existing building space and/or land available throughout California
 - ❖ A discount on Workers' Compensation Insurance rates
 - ❖ Consistent and reliable work force
 - ❖ On-call labor pool
 - ❖ Exempt from Federal Unemployment Tax (FUTA)
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Economic Benefits to the Public

- ❖ Offenders become taxpayers
 - ❖ Offenders pay crime victims restitution
 - ❖ Offenders pay support to families, decreasing social welfare burden
 - ❖ Offenders pay towards costs of room and board back to the county or state.
 - ❖ Offenders pay into a mandatory savings account with funds provided to offenders upon release to assist in their successful parole.
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Social Benefits

- ❖ Offenders develop sound work habits, gain job experience and references
 - ❖ Decreased problems associated with offender idleness
 - ❖ Motivated, skilled individuals return to society decreasing the level of crime in the community
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Program Requirements

Program Requirements

- ❖ Federal Guidelines
- ❖ State Mandates


Federal Guidelines

The Prison Industry Enhancement Certification Program (PIECP) was created by Congress in 1979 to encourage local government to establish private-sector work opportunities for offenders, enabling the acquisition of marketable skills to increase the potential for meaningful employment upon release.

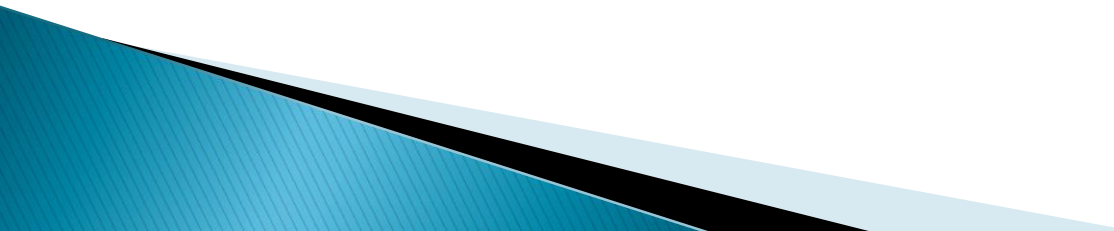
- ❖ An Umbrella Authority may include state and local correctional agencies (i.e. county) as well as juvenile justice agencies

Federal Guidelines (continued)

The Federal Authority, the Bureau of Justice Assistance, grants certification to each jurisdiction upon demonstrating satisfactory fulfillment of mandatory criteria to include:

- Authority to involve the private sector in the production and sale of offender-made goods on the open market
 - Payment of comparable wages at a rate not less than minimum wage or wages paid of work of a similar nature in the locality in which the work is being performed
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Federal Guidelines (continued)

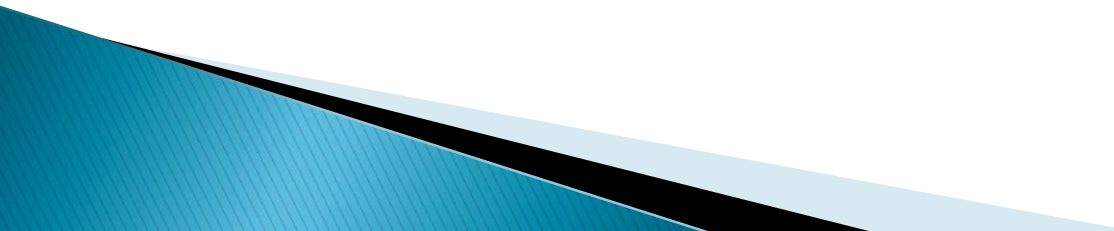
- ❖ Assurance of non-offender worker displacement
 - ❖ Allowable deductions limited to taxes, room and board, family support, and victims' compensation, that will total no more than eighty percent of gross wages
 - ❖ Voluntary offender participation
 - ❖ Consultation with organized labor
 - ❖ Consultation with private industry
 - ❖ Compliance with National Environmental Policy Act (NEPA)
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State Mandates

- ❖ California Constitution, Article 14, Section 5
 - ❖ *Statute enacted by the provisions of the Prison Inmate Labor Initiative of 1990. This allows the Director of Corrections to establish rules and regulations to implement and operate inmate labor programs.*
- ❖ Penal Code Sections 2717.1–2717.9 and 3003 (d)
 - ❖ *The passing of Proposition 139 by California voters created the penal code to put the statute into law, per the California Constitution.*
- ❖ California Code of Regulations, Title 15, Division 3, Chapter 1, Article 9, Sections 3480–3486
 - ❖ *Regulatory authority established to allow the Secretary of CDCR to establish Joint Venture Program operations in state prison facilities pursuant to the Prison Inmate Labor Initiative of 1990.*
- ❖ Department Operations Manual, Chapter 5, Article 40, Sections 53140.1–53140.31
 - ❖ *Procedures that establish guidelines for the uniform interpretation, application, and administration of the JVP.*
- ❖ Annual update of Wage Plan and Duty Statements

Small Business Benefits

Small Business Benefits

- ▶ 10 – 20 Year Lease at Zero Cost
 - ▶ 50% discount on Workers' Compensation Insurance
 - ▶ Wages Based on EDD's 10th Percentile
 - ▶ No Employee Benefit Packages Required
 - ▶ State Tax Credits
 - ▶ Reliable, Motivated Labor Force
 - ▶ Available Locations Throughout California
 - ▶ “Made in the USA” Label
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Current Joint Venture Programs

Current Joint Venture Programs

- Joint Venture Electronics – March 1993
 - Central California Women's Facility Chowchilla, Ca.
 - Employs approximately 40 offenders that perform circuit board and wire harness assembly.
- Merit Partners – March 2003
 - N.A. Chaderjian Youth Correctional Facility Stockton, Ca.
 - Employs approximately 8 wards that perform checks on remanufactured electronic equipment
- Big Dawg Manufacturing – September 2016
 - California State Prison San Quentin
 - Employs 3 offenders in commercial oven and refrigeration equipment

Current Joint Venture Programs

- The Last Mile Works – September 26, 2016
 - California State Prison San Quentin
 - Code 7370 platform for 7 qualified offenders to work on projects from private enterprises, utilizing their skills in web development, html, CSS, and JavaScript.
 - Average wage is approximately \$17.00 per hour
 - Upon release, the parolee will be eligible for employment with “The Last Mile Works” as a private citizen.

Current Joint Venture Programs

- Barnum Farming – May 2017
 - California Correctional Center Susanville
 - Employs approximately 3 offenders that perform seasonal alfalfa planting and harvesting
 - The JVP will be farming 565 acres using reclaimed water from the correctional facility

Certification

- Customer Model – 2017
 - Folsom State Prison Metal and Plastic Shop
 - Avenal State Prison Metal and Plastic Shop
 - Fulfillment orders from the private sector
 - Fabrication of Metal and Plastic Parts for manufacturing and production equipment and finished goods

New Business Site



New Business Site



Contact Information

Contact Information

CHARLES L. PATTILLO

General Manager

California Prison Industry Authority

Phone: 916-358-2699

Email: chuck.pattillo@calpia.ca.gov

MILO FITCH

Chief, Workforce Development Branch

California Prison Industry Authority

Phone: 916-358-1776

Mobile: 916-764-1731

Email: rusty.bechtold@calpia.ca.gov

General Contact:

Joint Venture Program

560 East Natoma Street

Folsom, CA 95630

Toll Free 877-404-9955

Fax 916-358-1996

Email: jvp@calpia.ca.gov

Visit us on the WEB: www.jointventureprogram.ca.gov

Contact Information

Robert Beamer

Industries Specialist

Joint Venture Program

Phone: 916-358-1511

Mobile: 916-496-4537

Email: robert.beamer@calpia.ca.gov

Chris Neumann

Industries Specialist

Joint Venture Program

Phone: 916-358-1604

Mobile: 916-496-4733

Email: christopher.neumann@calpia.ca.gov

Anahid Tatosian

Industries Specialist

Joint Venture Program

Phone: 916-358-1606

Mobile: 916-532-0144

Email: anahid.tatosian@calpia.ca.gov

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