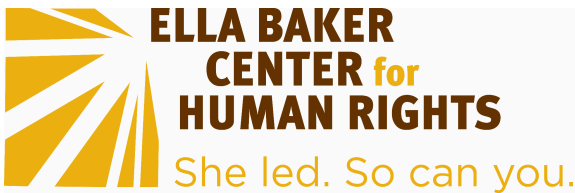


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MAS PACE



SWEL
Social Workers for Equity & Leadership



April 25, 2023

The Honorable Nancy Skinner
Chair, Senate Budget & Fiscal Review
Committee
California State Senate
Sacramento, CA 95814

The Honorable Maria Elena Durazo
Chair, Senate Budget Subcommittee 5
California State Senate
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
California State Assembly
Sacramento, CA 95814

The Honorable Mia Bonta
Chair, Assembly Budget Subcommittee 5
California State Assembly
Sacramento, CA 95814

Re: Budget Request to Eliminate CDCR Canteen Markups and Ensure Equitable Access to Essential Goods

Dear Budget Leaders:

On behalf of 76 California-based organizations advocating for criminal justice reform, we write in support of funding Inmate Welfare Fund operating expenses that are currently supported by canteen revenue through the General Fund instead. This will eliminate excessive mark-ups on items sold at California's state prison canteens and save justice-involved families at least \$30 million on a yearly basis (but likely much more due to restitution fees), relieving tens of thousands of impoverished Californians from the burden of purchasing overpriced essential items. These savings will help to establish more financial stability for families impacted by incarceration, and ultimately strengthen community health, public safety and re-entry outcomes.

This budget request would require an allocation of roughly \$30 to \$35 million a year to backfill the revenue for the Inmate Welfare Fund that is currently provided by the gross margin on canteen sales. The exact allocation would vary based on the operating expenses on a given year, as well as the cost of goods sold at canteen. Canteen sales would continue to support the cost of goods sold, but would no longer generate a gross margin. In 2021, the gross margin on canteen sales was roughly \$34.5 million, while the Inmate Welfare Fund operating expenses other than the cost of goods sold in the canteen amounted to roughly \$31.66 million. In 2020, the gross margin on canteen sales was roughly \$32 million, while the Inmate Welfare Fund operating expenses other than the cost of goods sold in the canteen amounted to roughly \$34.5 million. It should be noted that the cost of operating canteens will undoubtedly decrease over time as California continues to reduce its prison population, deactivate prison yards, and close entire prisons, as outlined by Governor Newsom – inevitability leading to fewer prison canteens.

Prison canteens are a critical resource for incarcerated people, who often rely on canteen purchases in order to meet their basic needs. [Research shows](#) that the majority of canteen spending is on food and essential hygiene items that incarcerated people do not have adequate access to, and that many incarcerated people rely on canteen food for a significant portion of their daily caloric intake. Commonly purchased items aside from food include toilet paper, soap, shower sandals, menstrual products and over-the-counter medical supplies.

According to CDCR's records, the average markup across CDCR canteen items between 2018 and 2022 was 65% above the price paid to the vendor – anecdotally, this mark-up rate has been in effect for at least a decade. An Inmate Welfare Fund audit report from 2020 further showed that canteen sales (\$81 million) made up the majority of the Inmate Welfare Fund (\$82 million),

and that after accounting for the cost of goods sold (\$49 million), there was a \$31.9 million gross margin in canteen sales. This margin funded CDCR's canteen operating expenses (\$27.9 million) as well as other key expenditures in the Inmate Welfare Fund, including grants for innovative programs and victim-offender dialogues. In other words, canteen prices are significantly marked up so that the profits can fund canteen operating expenses – namely CDCR staff salaries and pensions – and important programs for incarcerated people, forcing incarcerated people and their families – one of California's most economically marginalized populations – to bear the burden of these costs. CDCR must take responsibility for these costs instead of pushing them onto already marginalized families.

Overpriced products sold at CDCR canteens economically drain over 80 million dollars each year from low-income families of color, who are already disproportionately impacted by inflation. In California, the minimum wage for [incarcerated people](#) is only eight cents an hour before fees and deductions – meaning it could take an entire month's wage to afford a single essential item such as toothpaste. In a [2020 report](#) from Impact Justice, three-fifths of the formerly incarcerated people surveyed said they could not afford canteen purchases, and 75% reported that access to food was limited by their own or their family's finances. Many people reported having to choose between buying food, or going hungry to purchase necessities such as toothpaste, tampons, and ibuprofen. These barriers have only increased since 2020 with the onset of the pandemic and rising inflation rates.

Incarcerated families and their loved ones are already saddled with copious justice-related fees, fines, and debt, at the same time that their economic opportunities are diminished. According to the report "[Who Pays? The True Cost of Incarceration on Families](#)", nearly 2 in 3 families with an incarcerated family member were unable to meet their family's basic needs – including food and housing needs – due to the financial burdens of incarceration. Nearly half of the families surveyed were unable to afford the costs associated with a conviction.

Eliminating mark-ups at CDCR canteens will provide relief to tens of thousands of families who are burdened by the pressures of incarceration and poverty, and allow them to redirect scarce financial resources towards long-term needs and reentry costs. This would represent a step forward for California's leadership in combating poverty, racial inequity, and mass incarceration, following on the heels of recent, bold reforms in our state to repeal administrative fees in the criminal system (AB 1869) and eliminate fees for prison phone calls (SB 1008). Investing financial stability for justice-involved families is a critical and evidence-based strategy for improving reentry outcomes, and is an investment in public safety for all Californians.

Respectfully,

Co-Sponsors:

Ella Baker Center for Human Rights (EBC)

Legal Aid at Work

Legal Services for Prisoners with Children (LSPC) / All Of Us Or None

MILPA Collective

Women's Foundation California Solís Policy Institute

Supporters:

A New Way of Life Reentry Project

ACLU California Action

All of Us or None - Sacramento

Alliance San Diego

Asian Solidarity Collective
Barrio Alegre
Black Panther Party - San Diego
CAIR CA
California Alliance for Youth and Community Justice
California Coalition for Women Prisoners
California Immigrant Policy Center
California Innocence Coalition
Californians United for a Responsible Budget (CURB)
Change Begins With Me
Communities United for Restorative Youth Justice (CURYJ)
Community Advocates for Just and Moral Governance
Dee Hill Foundation Inc.
Del Cerro 4 BLM
Democratic Club of Vista
Democratic Woman's Club of San Diego County
Empowering Women Impacted by Incarceration
Fair Chance Project
Families United to End LWOP (FUEL)
Felony Murder Elimination Project (FMEP)
Fresno Barrios Unidos
Friends Committee on Legislation of California
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Hillcrest Indivisible
Homies Unidos Inc.
Indivisible 92116
Indivisible CA: StateStrong
Initiate Justice
Interfaith Workers Justice - San Diego
Jesus' Prayer Ministry
League of Extraordinary Gentlemen (LEG)
Muslim American Society: Public Affairs and Civic Engagement
Partnership for the Advancement of New Americans
Pillars of the Community
The Place4Grace
Racial Justice Coalition of San Diego
Restore Oakland Inc.
Rise Up San Diego
Rolling for Rights
Root & Rebound
RTime Co.
Safe Return Project
San Francisco Financial Justice Project
San Francisco Public Defender's Office
San Marcos Democratic Club
San Quentin Civic Engagement Group
Santa Cruz Barrios Unidos
Secure Justice
Showing Up for Racial Justice (SURJ) - Bay Area
Showing Up for Racial Justice (SURJ) - North County San Diego
Showing Up for Racial Justice (SURJ) - San Diego

Showing Up for Racial Justice (SURJ) - Santa Cruz County Chapter
Sister Warriors Freedom Coalition
Social Workers for Equity & Leadership
Southeast Asia Resource Action Center (SEARAC)
Starting Over, Inc.
Team Justice San Diego
Think Dignity
Transformative in-Prison Workgroup
Transitions Clinic Network
Uncommon Law
Underground Scholars Initiative
Underground Scholars Initiative at UC San Diego
Universidad Popular
Uprise Theatre
Worth Rises
Young Women's Freedom Center