

## Iowa Prison Industries

FISCAL COMMITTEE MEETING  
September 14, 2011

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### Statement of Intent (904.801)

Opportunities for work in meaningful jobs with the following objectives:

1. To develop within those inmates willing to accept and persevere in such work:
  - a. Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;
  - b. Good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system; and
  - c. To the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.
2. To enable those inmates willing to accept and persevere in such work to:
  - a. Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence;
  - b. Make restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;
  - c. Make it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary if they were employed in the community; and
  - d. Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.




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### IPI: Three Distinct Programs

**Traditional Industries**


- Seven "shops" operating inside institution grounds
- Signs, license plates, furniture, textiles, etc
- Sales to state agencies and non-profits

**Farms**

- Row crops at 5 institutions
- Cow-calf operations at Newton and Anamosa, cattle at Ft. Madison
- Leased ground at 10 locations (parcels from 2 up to 809 acres)

**Private Sector Programs**

- Eight private companies operating at four institutions
- State and federal guidelines
- On or off institution grounds
- IPI administers the contracts but doesn't operate the individual programs




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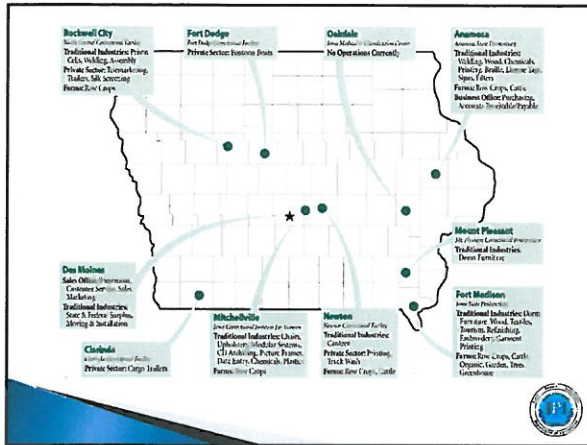
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### IPI Inmate Employment (as of June 30, 2011)

Traditional Industries	530
IPI Farms	8
Private Sector	164
<b>Total Offenders Employed</b>	<b>702</b>
<b>Total Inmate Population</b>	<b>8,782</b>

*Over the year, 1,200 - 1,500 offenders work for IPI*

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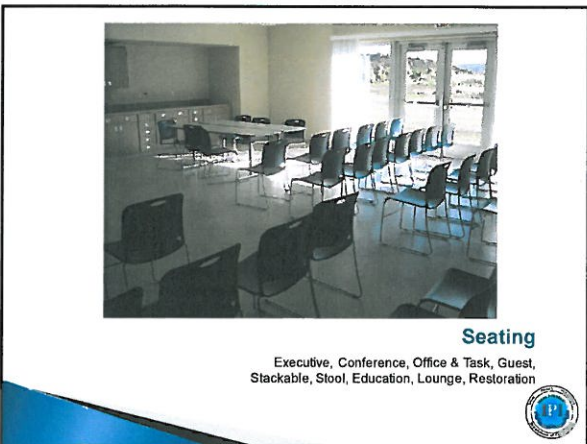
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**Desks & Tables**  
Wood & Metal Office Systems, Modular Office Systems, Desks,  
Conference, Computer, General Use, Folding



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**School Furnishings**  
Classroom, Computer Lab, Science Lab, Music Room, Library, Multi-  
Purpose, Audio/Visual, Office & Administration,  
Buildings & Grounds, Outdoor Equipment



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**Library Furnishings**  
Circulation Desks, Bookcases & Shelving,  
Display & Storage, Tables, Seating



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### Residence Furnishings

Residential & Dormitory Beds & Accessories, Clothes Storage, Student  
Desks & Accessories, Lounge Furnishings



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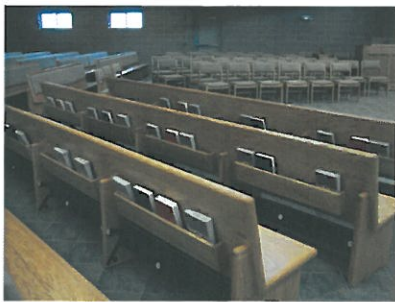
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### Church Furnishings

Pews & Seating, Pulpits & Lecterns, Tables,  
General Furnishings, Furniture Restoration



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### Detention Furnishings

Beds & Accessories, Mattresses, Seating, Tables,  
Dining Clusters, Storage



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### Furniture Restoration

Wood Refinishing, Metal Refurbishing, Reupholstery



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### Inmate Clothing & Textiles

Jeans, Scrubs, Jackets, Shirts, Undergarments, Mattresses,  
Bedding, Bath, Dietary Apparel



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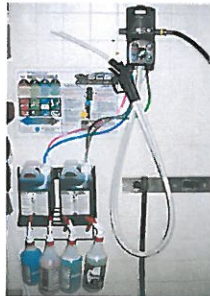
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### Chemicals & Cleaning Supplies

Green Seal Certified, General, Floor Care, Warewash, Laundry,  
Health Care, Germicidal



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**Signs & Decals**

No Smoking, MUTCD, Street Markers, Destination, Recreation, School Spirit, Custom, ADA Pictograms, Decals, Vehicle Markings



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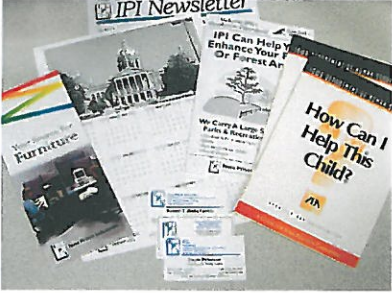
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**Printing / Graphic Arts**

Newsletters, Calendars, Annual Reports, Brochures, Business Cards, Letterhead, Envelopes, Forms, Specialty Items, Mail Services, Rubber Stamps



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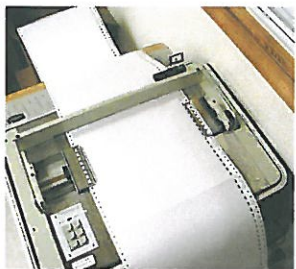
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**Braille Transcription**

Book & Music Transcription, Duplication



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## IPI Traditional Industries

FY2011 vs. FY2010

	FY 2011	FY 2010	Inc / (Dec)
Sales	\$ 20,792,652	\$ 20,283,528	\$ 509,124
Cost of Goods Sold	\$ 15,269,681	\$ 15,720,266	\$ (450,585)
Gross Profit	\$ 5,522,971	\$ 4,563,262	\$ 959,709
Operating Expenses	\$ 3,990,584	\$ 3,843,230	\$ 147,354
Canteen Redistribution	\$ 483,617	\$ 427,423	\$ 56,194
Net Sustainable Income (Loss)	\$ 1,048,770	\$ 292,609	\$ 756,161

Over the past 5 years IPI has averaged sales of \$20.8 million and NSI of \$473,000



## IPI Farms

Calendar 2010 vs. Calendar 2009

	CY 2010	CY 2009	Inc / (Dec)
Sales	\$ 1,194,714	\$ 1,327,607	\$ (132,893)
Cost of Goods Sold	\$ 597,025	\$ 714,107	\$ (117,082)
Gross Profit	\$ 597,689	\$ 613,501	\$ (15,811)
Operating Expenses	\$ 563,795	\$ 621,805	\$ (58,010)
Net Sustainable Income (Loss)	\$ 33,894	\$ (8,304)	\$ 42,198

Over the past 5 years IPI Farms has averaged sales of \$1.1 million and NSI of \$77,000



## IPI Private Sector

FY2011 vs. FY2010

	FY 2011	FY 2010	Inc / (Dec)
Offenders Employed	170	111	59
Total Hours Worked	258,833	158,168	100,665
Gross Wages	\$ 2,317,264	\$ 1,348,774	\$ 968,490
Taxes, FICA, Medicare	\$ 408,418	\$ 235,101	\$ 173,317
Child and Family Support	\$ 153,487	\$ 77,364	\$ 76,123
Victim Compensation and Restitution	\$ 352,059	\$ 216,213	\$ 135,846
Other Misc	\$ 82,350	\$ 42,562	\$ 39,788
Inmate Account (20%)	\$ 457,365	\$ 266,584	\$ 190,781
General Fund Offset, Institutions	\$ 863,585	\$ 510,950	\$ 352,635

Since inception, Private Sector programs have returned \$10.9 million to the State.



## IPI Advisory Board

Seven members representing private business, parole board, agriculture, labor, vocational education & finance.

Board meetings are held quarterly and rotate between all prisons with industries.

Board members approve new business ventures, overall operations plans, new private sector operations.

Specialized knowledge, advice and consent.




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### OFFICE OF AUDITOR OF STATE STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0004  
Telephone (515) 281-5834 Fax (515) 242-4134

David A. Vaudt, CPA  
Auditor of State

May 18, 2011

To John Baldwin, Director of the  
Iowa Department of Corrections:

Iowa State Prison Industries is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2010.

In addition to these reports, we also prepare a separate report of recommendations pertaining to each Agency's internal control, compliance with statutory requirements and other matters when our audits disclose findings we believe should be brought to your attention.

This report is to inform you our audits of Iowa State Prison Industries did not disclose any findings which we believe were necessary to report for the year ended June 30, 2010.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa State Prison Industries during the course of our audits. If you have questions regarding the above information, please contact Deborah Moser at (515) 281-6573.

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## Iowa Prison Industries

### Benefits To Iowa Citizens and Taxpayers:

- IPI is 100% self-funding, with no appropriated funds from the State.
- IPI provided over 1.1 million hours of inmate training in FY2010.
- IPI purchased over \$15 million in raw materials & services in FY2010.
- Reduced recidivism = fewer victims on reentry & lower prison population.
- IPI is an Iowa company – purchases boost the State's economy.

### Benefits To Corrections:

- Work programs reduce idle time and ease population management.
- IPI programs provide institutions with incentives for good behavior.

### Benefits To Offenders:

- Marketable skills, resume building, performance reviews.
- Development of a sound work ethic.
- Self confidence and pride of accomplishment.
- Savings and family support.
- *Today's inmate is tomorrow's neighbor.*




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