



# IPI Private Sector

**Partners In  
Progress**

- 216 inmates work in private sector, or about 2.5% of DOC offenders.
- Private Employers may employ inmates in Iowa.
- Private Employers must pay prevailing wages. Inmates earn \$5.80 to \$11.00 per hour.
- Private Employers are obligated to offer inmates a job upon release from prison.
- Iowa inmates may keep no more than 20% of their wages. Refer to page 26 for wage distribution.
- Private Employers must provide all supervision. NO state assistance is available.
- IPI/DOC has local responsibility for program administration, under the guidance of the Federal Bureau of Justice.
- Private Sector inmates have paid over \$3 million in TAXES since 1997.
- Private Sector inmates have paid over \$1.4 million in restitution since 1997.
- Private Sector inmates have paid over \$700,000 in Victims Comp since 1997.
- Private Sector inmates have paid back to the General Fund over \$5.2 million since 1997.

**Private Sector provided 219,097 hours of inmate contact in 2003. (+25.3%)**

## Quick Facts:

- Private Sector jobs are the fastest growing jobs nationally.
- Private Sector jobs are almost always service/manufacturing.
- Private Sector jobs are the most cost efficient jobs the state can offer.
- Private Sector jobs are the most volatile, highly dependent upon a strong economy.

**Little known fact:** IPI inmates paid more in child support in 2003 than all of the Iowa inmates combined earned in 1997!



# Code Section

## 904.809-PRIVATE SECTOR EMPLOYMENT

1. The following conditions shall apply to all agreements to provide private industry employment for inmates of correctional institutions:
  - a. The state director and the industries board shall comply with the intent of section 904.801.
  - b. An inmate shall not be compelled to take private industry employment.
  - c. Inmates shall receive allowances commensurate with those wages paid persons in similar jobs outside the correctional institutions. This may include piece rating in which the inmate is paid only for what is produced.
  - d. Employment of inmates in private industry shall not displace employed workers, apply to skills, crafts, or trades in which there is a local surplus of labor, or impair existing contracts for employment or services.
  - e. Inmates employed in private industry shall be eligible for workers' compensation in accordance with section 85.59.
  - f. Inmates employed in private industry shall not be eligible for unemployment compensation while incarcerated.
  - g. The state director shall implement a system for screening and security of inmates to protect the safety of the public.
2.
  - a. **Any other provision of the Code to the contrary notwithstanding, the state director may, after obtaining the advice of the industries board, lease one or more buildings or portions thereof on the grounds of any state adult correctional institution, together with the real estate needed for reasonable access to and egress from the leased buildings, for a term not to exceed twenty years, to a private corporation for the purpose of establishing and operating a factory for the manufacture and processing of products, or any other commercial enterprise deemed by the state director to be consistent with the intent stated in section 904.801.**
  - b. Each lease negotiated and concluded under this subsection shall include, and shall be valid only so long as the lessee adheres to, the following provisions:
    - (1) Persons working in the factory or other commercial enterprise operated in the leased property, except the lessee's supervisory employees and necessary support personnel approved by the industries board, shall be inmates of the institution where the leased property is located who are approved for such work by the state director and the lessee.
    - (2) The factory or other commercial enterprise operated in the leased property shall observe at all times such practices and procedures regarding security as the lease may specify, or as the state director may temporarily stipulate during periods of emergency.
3. **The state director, with the advice of the prison industries advisory board, may provide an inmate work force to private industry. Under the program inmates will be employees of a private business.**

# Code Section



## 904.809-PRIVATE SECTOR EMPLOYMENT (Continued)

4. **Private or nonprofit organizations may subcontract with Iowa State Industries to perform work in Iowa State Industries shops located on the grounds of a state institution.** The execution of the subcontract is subject to the following conditions:
  - a. The private employer shall pay to Iowa State Industries a per unit price sufficient to fund allowances for inmate workers commensurate with similar jobs outside corrections institutions.
  - b. Iowa State Industries shall negotiate a per unit price which takes into account staff supervision and equipment provided by Iowa State Industries.
  
5. **a. An inmate of a correctional institution employed pursuant to this section shall surrender to the Department of Corrections the inmate's total earnings less deductions for federal, state, and local taxes, and any other payroll deductions required by law.**
  - b. From the inmate's gross payroll earnings, the following amounts shall be deducted:
    - (1) Twenty percent, to be deposited in the inmate's general account.
    - (2) All required tax deductions, to be collected by the inmate's employer.
    - (3) Five percent, to be deducted for the victim compensation fund created in section 915.94.
  - c. From the balance remaining after deduction of the amounts under paragraph "b", the following amounts shall be deducted in the following order of priority:
    - (1) An amount which the inmate may be legally obligated to pay for the support of the inmate's dependents, which shall be paid through the Department of Human Services Collection Services Center, and which shall include an amount for delinquent child support not to exceed fifty percent of net earnings.
    - (2) Restitution as ordered by the court under chapter 910.
    - (3) Any balance remaining after the deductions made under subparagraphs (1) and (2) shall represent the costs of the inmate's incarceration and shall be deposited, effective July 1, 2000, in the General Fund of the state.
  - d. Of the amount credited to the inmate's general account, the department shall deduct an amount representing any other legal or administrative financial obligations of the inmate.

The inmate's employer shall provide each employed inmate with the withholding statement required under section 422.16, and any other employment information necessary for the receipt of the remainder of an inmate's payroll earnings.