

Iowa Prison Industries - Private Sector Employment Program

Iowa Prison Industries (IPI) manages private sector employment of prison offenders. The employment program must comply with federal law ([Prison Industries Enhancement Act](#)) and State law (Iowa Code section [904.809](#)). The program complies with federal guidelines and state administrative rules, so that offenders can hold jobs when they do not compete with free labor or create unfair advantages for participating businesses. The Deputy Director of IPI and the Industries Board are required to comply with Iowa Code section [904.801](#) to provide meaningful jobs to offenders in prison.

History

Until the 1970s, there was a ban on interstate transportation of prison-made goods. In 1979, Congress enacted an exception to this ban with the Prison Industries Enhancement (PIE) Act. The Crime Control Act of 1990 permits continuation of the program indefinitely. This federal law permits the use of offender labor by private sector industry in states with program certification. The Iowa Department of Corrections (DOC) received certification from the U.S. Department of Justice ([US DOJ](#)), Bureau of Justice Assistance ([BJA](#)), in August 1989.

In the early 1990s, the DOC through IPI began private sector employment of offenders as a pilot project. During the 1995 Legislative Session, HF 215 ([Inmate Hard Labor Act](#)) was enacted requiring capable offenders to perform hard labor. One of the DOC's responses to this Act was to increase efforts to obtain private sector employment of offenders (PIE program).

Program Administration

Iowa's PIE program is audited for compliance with federal rules every two years by the federal government. The US DOJ certifies a program by ascertaining that all of the federal rules have been met, before a private company can contract with the DOC/IPI to hire offenders into private sector jobs. The PIE programs may operate at the DOC Institutions or at the employers' place of business.

The IPI and Iowa Workforce Development ([IWD](#)) collaborate on the administration of the PIE program. The IWD provides wage and employment data and other information to help ensure all PIE programs conform to State and federal requirements. Pursuant to Iowa Administrative Code section [877-1.5](#), the IWD assists the DOC and IPI in the following manner:

- Ensures employers have advertised jobs for 30 days.
- Verifies the number of qualified applicant referrals provided by the IWD local office, and the number of applicants hired from the job listing. The IWD also verifies the county unemployment rate where the employer is located and the company's employment levels.
- Determines the wages for jobs by surveying private sector employers. Wage rates are then calculated and provided for the appropriate geographic area.
- Every six months upon request, reviews the wage rate for the appropriate geographic area and the company's employment levels.
- Provides a process to allow inquiries regarding the decision to employ inmates in private sector jobs. Written inquiries are submitted to the IWD Board.

The IPI contracts with a private sector employer for offender labor once federal certification has been achieved. The contract may provide for a lease of space, buildings, or real estate to operate a factory for up to 20 years. Iowa Code section [904.809\(5\)](#) establishes the deductions from offender wages. The private employers pay gross wages and make deductions required by law for federal and state withholding; social security and Medicare; and court-ordered payments such as child support. Net paychecks are provided to the DOC Institutions that make deductions for victim restitution, payments to the Victim Compensation Fund and the offender savings account (20.0% of gross wages is deposited into the offenders' accounts); plus the State General Fund and Institutions for room and board plus security costs.

More Information

Iowa General Assembly: <https://www.legis.iowa.gov/>
Iowa Prison Industries: <http://www.iaprisoinnd.com/>
Iowa Workforce Development: <http://www.iowaworkforce.org/>
Iowa Department of Corrections: <http://www.doc.state.ia.us/>

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