



Meeting Minutes
Iowa Prison Industries Advisory Board
Friday, September 29, 2017
Anamosa State Penitentiary, Anamosa, IA

Present: Dr. Doug Hillman, Robert Carr, Sheila Wilson, Jennifer Gardner, Bonnie Winther, Dan Clark.

Absent: Terry Goodman, Dr. Jenny Foster.

Staff: Al Reiter, Ann Pollock, Julie Schaefer, Mike Lynch.

Guests: Warden Bill Sperflage.

I. Call to Order.

Dr. Doug Hillman called the meeting to order at precisely 9:00am on September 29, 2017.

II. Approval of Minutes.

Dr. Hillman called for approval of the minutes from the Board's meeting held June 16, 2017. Ms. Gardner made a motion to accept the minutes as submitted, and the motion was seconded by Ms. Wilson. All were in favor and the June minutes were approved.

III. Proposed process for ratification of contractor sales.

As requested by the Board, Mr. Clark had prepared, for the Board's consideration, a revision to the process for the approval of IPI sales to private contractors (attached to these minutes). Mr. Carr made a motion to approve the revised process, which was seconded by Ms. Gardner. During discussion of the motion, Mr. Clark affirmed that these sales must ultimately benefit a governmental agency, school district or other eligible customer, and that the end customer must have contacted IPI in writing about the proposed sale. Mr. Clark also stated that all sales to private contractors are posted to the IPI website for transparency purposes. The motion was adopted unanimously, and Mr. Carr stated that it should be put in effect immediately.

IV. Warden's Discussion.

Warden Bill Sperflage thanked the Board and IPI for its support of institutional programs, and related how the safety and security of the prison is enhanced when 180 men have an 8-hour job every day at IPI. The warden pointed to recent replacement concrete work and new shipping docks as an example of the good cooperation between IPI and ASP, and told the Board that Mr. Reiter, IPI Plant Manager, is a valued member of the institution's management staff. There was discussion about the suspension of operations at the Luster Heights Unit, which is roughly 90 miles from Anamosa. The Warden stated that all 13 LUH staff had been offered positions at ASP, and was pleased that 11 had joined the institution. Warden Sperflage discussed recent changes to "Chapter 20", and stated that the safe and effective operation of the prison depends upon a trained and motivated staff. By his observation, the "dust had settled" for the most part, and he confirmed that all jobs were still being posted via the state system. The warden stated there are currently about 230 offenders serving a life sentence at ASP, about 25% of the overall population.

V. IPI Farms Review.

Ms. Schaefer and Mr. Lynch reviewed calendar 2016 results for IPI Farms. Farms posted a loss of \$163,749 for the year, which was attributed to a lower cattle market (calf sales were down \$138,000) and lower rental income (down \$164,000). In addition, commodity prices for corn and beans remained low. More recently, cattle markets had improved, and calf weights at the auction were higher for all three farm locations (Anamosa, Newton and Ft. Madison). Ms. Schaefer reviewed the land rental auction process, and explained that the leases are staggered so that they don't all come due simultaneously.

Dr. Hillman noted the general downward trend for offender hours at Newton and Anamosa, but Ms. Schaefer mentioned that the number of available "outs workers" at Anamosa was up following the closure of LUH, so she expected some rebound there. Mr. Lynch mentioned that following the closure of the John Bennett minimum unit at Ft. Madison, offenders for Farm 3 in Montrose were coming from Mt. Pleasant, and that this process was working well.

Mr. Lynch described the continued work on nutrient management practices, and that 2017 marked the first year that the Anamosa farms were 100% no-till. Data from the upcoming harvest would help us understand any impact on yields.

VI. Traditional Industries FY17 Review.

Ms. Pollock reviewed the financial figures for FY17, including the Balance Sheet, Income Statement, and Cash Flow Statement. IPI posted a positive Net Sustainable Income of \$79,069 for the year, but most importantly, offender training hours had increased by 49,881 to a total of 912,474.

Mr. Carr inquired whether the new DOT design for license plates would provide additional work training opportunities, and Mr. Reiter explained that no, it would not. The new plate would simply be a "rolling change" and that motorists would not be reissued new plates except for the normal reasons.

Ms. Wilson inquired as to the performance of the Showroom call center training program, which is overseen by Mr. Bob Fairfax, sales and marketing manager. The Board requested that Mr. Fairfax review the program metrics at the December meeting.

VII. IPI Program Participants.

The Board reviewed participation in the IPI program by race as compared to the overall prison population, as well as citizenship status. Mr. Clark informed the Board that IPI managers strive to reflect the racial makeup of the host institution, and also to provide opportunities to offenders serving a life sentence at the level of the host prison (for example, Anamosa at roughly 25%). Mr. Clark said there is no requirement for U.S. citizenship (15 of the 598 IPI program participants are classified as Illegal Aliens), that IPI offers its program to all interested and motivated offenders. Board Members discussed the proper level of non-citizens and life sentences given the legislative intent for IPI to prepare offenders for re-entry. Recognition was given to the mentoring and stability role that lifers play, without which the IPI program might not be sustainable. Warden Sperfslage described an offender from the Anamosa Metal Furniture shop that had

died while working this past summer – this offender was a non-citizen serving a life sentence, but had aided and mentored many shorter term offenders over the years.

Ms. Wilson asked whether there was evidence that all offenders were given an equal opportunity to join the program in a position that was “more employable” than others. She gave the example of welder (highly employable) versus a call center agent. Mr. Clark stated that no, IPI and the DOC did not tabulate data on race versus position, only the totals for the program by location. Ms. Wilson asked to receive a list of all IPI position titles, which Mr. Clark will provide to all Board Members.

(Note: after the meeting had adjourned, Ms. Wilson and Dr. Hillman toured ASP, including the youthful offender unit and several IPI shops. While inside the braille shop, an offender serving a life sentence discussed his role within IPI, and stated that working at IPI gave him reason to hope. It bears mentioning that offenders with no reason to hope can be difficult, and even dangerous, individuals within a correctional setting. Allowing lifers and non-citizens to participate in IPI programs helps to lessen these kinds of situations, which enhances the safety of correctional employees and the public.)

VIII. Private Sector Update.

Mr. Clark reviewed potential new projects from across the state, and related that Iowa employers are having great difficulty finding a sufficient number of qualified employees. This is particularly true in rural areas of our state. Hence these companies are turning to IPI for offender labor. Mr. Clark described one such employer, who was forced to send work out of state, and even to Mexico, because it could not fulfill its customer requirements with its Iowa workforce.

Addressing a previous Board inquiry, Mr. Clark stated that under Iowa Code §85.59, offenders in any work assignment (private sector or any other) are covered under the state’s worker compensation program.

Mr. Clark provided a copy of an email from Mr. Ken Sagar (Iowa Federation of Labor) expressing opposition to the “use of prison labor in Iowa”. Ms. Winther stated that she had confirmed with Mr. Sagar that this opposition did not include traditional IPI work programs such as license plates and furniture, but rather was directed at Prison Industry Enhancement (PIE) programs that allow incarcerated men and women to work for private companies, when these companies can demonstrate that no civilian employees would be displaced. Mr. Clark said that two PIE applications were currently under review by the US Dept of Justice, and that Mr. Clark had provided a copy of Mr. Sagar’s email to the USDOJ.

Mr. Clark provided a copy of Iowa Code §904.809, highlighting the section allowing private companies to subcontract with IPI. This subcontracting would require the same review and approval process as any other PIE program, and Mr. Clark said he was merely informing the Board, should such a project come forward for approval. He reviewed for the Board the approval process for a PIE program, which includes state and federal review, plus approval by the IPI Advisory Board itself.

Mr. Clark provided data from Iowa Workforce Development showing the number of civilian employees at each PIE program partner. Mr. Clark explained that this information is used to monitor companies that employ offenders, to ensure that the companies do not lay off civilian employees in order to hire more offenders. During the review, Mr. Clark identified several companies that had stopped employing offenders altogether when their business needs slowed. He said that in his dealings with Iowa employers, the use of offender labor was a “last resort” when the companies simply could not find enough civilians. Although it might seem that offenders are less costly to employ (companies do not need to provide benefits such as health insurance), the high turnover rate of offender labor is costly and a business disruption that most companies would prefer to avoid. Mr. Clark also stated that employers must transport the offenders to and from the institution, which can be costly and difficult to arrange on a consistent basis.

IX. New Business.

Mr. Carr inquired as to whether IPI or any Board member saw a need for proposed changes in legislation. None was offered.

X. Adjourn

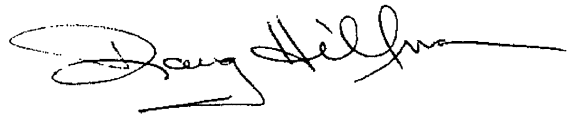
Dr. Hillman called for a motion to adjourn the meeting. Mr. Carr made the motion to adjourn the meeting, seconded by Ms. Wilson. All were in favor and the meeting was adjourned at 12:15pm.

Minutes submitted by:



Dan Clark, Director

Minutes approved by:



Dr. Doug Hillman, Chair



Meeting Minutes
Iowa Prison Industries Advisory Board
Thursday, October 19, 2017
Meeting held via teleconference

Present: Dr. Doug Hillman, Robert Carr, Sheila Wilson, Bonnie Winther, Terry Goodman, Dan Clark.

Absent: Jennifer Gardner, Dr. Jenny Foster.

Staff: None.

Guests: None.

Mr. Clark had requested that the Board meet via conference call on an emergency basis so that two employment projects could be reviewed by the Board without delay. Both companies had expressed their desire to begin offender work projects as soon as possible.

I. Call to Order.

Dr. Doug Hillman called the meeting to order at 4:05pm on October 19, 2017.

II. Offender Employment Project – Riverbend Industries.

Mr. Goodman made a motion to approve the private sector employment project for Riverbend Industries in Victor, IA. The motion was seconded by Ms. Wilson.

Mr. Clark described the project, in which 40 offenders would work as injection molding press operators. He reviewed the board handouts, which included notifications to local and state governments, law enforcement, businesses and organized labor. The unemployment rate in Iowa County is 2.4%, according to the information supplied by Iowa Workforce Development.

The Iowa AFL/CIO had expressed its opposition to offender work programs in an email to Mr. Clark, which was included in the packet. However, the project has been provisionally approved by the US Dept of Justice – Bureau of Justice Assistance, with the stipulation that the Iowa AFL/CIO be asked to provide documentation of civilian displacement within 90 days.

The company had emailed Mr. Clark that due to its inability to hire a sufficient number of civilian employees, it was transferring work out of state and to Mexico. Mr. Clark stated that representatives from the company were ready to join the teleconference if the Board wished.

There was extensive discussion of the project and of prison work programs in general. Mr. Carr stated that he had spoken with the company's plant manager and said the company paid civilians \$10.00 for the first 100 hours, and that the top rate was \$14.00 per hour. Ms. Winther stated her belief that low wages was the reason that the company was unable to attract a sufficient workforce. Mr. Carr and Ms. Winther stated that the company should be required to submit its financial statements to the Board, since an examination of the company's earnings might show that the company could pay employees substantially more. Mr. Carr and Ms. Winther expressed their displeasure that offenders working for private companies were covered by the state Worker Compensation program.

Mr. Clark informed the Board that the company was required to pay offenders as Press Operators at least \$9.06 per hour during 2017, a wage that is determined by the Iowa Workforce Development Wage Survey. This minimum hourly wage would move up to \$12.62 as of January 1, 2018 according to Mr. Clark, since the newest IWD wage survey was substantially higher for Press Operators in that region of the state. Ms. Wilson expressed concern that in 2018, offenders might be paid more than civilian employees of the company, which could put offenders in an unsafe situation. Ms. Winther stated that if offenders were paid more than civilians, this would meet her definition of Displacement. Mr. Goodman expressed doubt that the company would allow a situation where offenders would be paid more than civilians, since the civilian workers would likely quit en masse.

Mr. Clark confirmed that the company was responsible to pay for the transport of offenders to and from the worksite (about 45 minutes by van).

Mr. Carr made a motion to table the agenda item, which was seconded by Ms. Winther. Mr. Carr later restated the motion, proposing to defer the agenda item instead of tabling it. Mr. Carr subsequently withdrew his motion, and Ms. Winther withdrew her second.

Dr. Hillman called for a vote on the motion to approve the offender employment project at Riverbend Industries. Mr. Goodman and Dr. Hillman were in favor, and Ms. Winther, Ms. Wilson and Mr. Carr were opposed. The motion was defeated 3-2.

III. Offender Employment Project – West Liberty Foods.

Mr. Goodman made a motion to approve the private sector employment project for West Liberty Foods in Mount Pleasant, IA. No member of the board seconded the motion, and it was not discussed or adopted.

Mr. Goodman expressed his concern as to whether the Board was fulfilling its responsibility to provide work opportunities for incarcerated offenders. He asked Mr. Clark to email the relevant sections of the Iowa Code to Board Members.

Ms. Wilson stated that she still had questions about the projects, and recommended that Mr. Clark arrange another Board meeting in the near future and invite representatives from both companies to address the Board and answer questions. Mr. Clark stated that he would send an online poll shortly.

IV. Adjourn

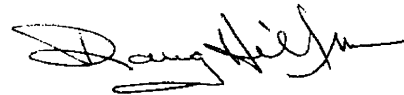
The meeting was adjourned at 5:23pm.

Minutes submitted by:



Dan Clark, Director

Minutes approved by:



Dr. Doug Hillman, Chair



Meeting Minutes
Iowa Prison Industries Advisory Board
Wednesday, October 25, 2017
Meeting held via teleconference

Present: Dr. Doug Hillman, Dr. Jenny Foster, Jennifer Gardner, Robert Carr, Sheila Wilson, Bonnie Winther, Terry Goodman, Dan Clark.

Absent: None.

Staff: None.

Guests: Warden Kris Weitzell (Newton), Warden Jay Nelson (Mt. Pleasant), Scott Pope (Riverbend Industries), Ron Embee (Quantum Plastics – parent company of RBI), Jillian Brockhohn (RBI), Monica Dyar (West Liberty Foods), Mark Bads (WLF), Mindy Heick (WLF), Jean Spiesz (WLF), Karen Taylor (WLF).

Mr. Clark had requested that the Board meet via conference call on an emergency basis so that the two employers could meet with the Board and answer questions raised during the Board's previous meeting. Both companies had expressed their desire to begin offender work projects as soon as possible.

I. Call to Order.

Dr. Doug Hillman called the meeting to order at 7:01am on October 25, 2017.

II. Offender Employment Project – Riverbend Industries (RBI).

Mr. Goodman made a motion to approve the private sector employment project for Riverbend Industries in Victor, IA. The motion was seconded by Ms. Gardner.

During discussion about the motion, Ms. Wilson asked the RBI representatives to review the civilian wage scale and what offenders would be paid. She expressed concern over a potential situation where offenders might earn more than civilians. Ms. Brockhohn said that in 2017, offenders would receive \$7.25 for 90 days as a training wage, and then move to \$9.06 per hour. In January 2018 this would change to \$12.62, which they were discussing with the company's management. Civilians with no experience hired directly by the company start at \$11.00, and those with experience would typically start at \$12-13. Civilians hired through a temp agency currently start at \$10.00, a wage which is paid by the temp agency, not RBI itself, which reimburses the agency about \$13.80 per hour for these same employees.

Mr. Embee said that once benefits were factored in, which averaged 40%, the civilian wages were significantly higher. Employees are provided a quarterly benefits statement that breaks down the hourly value of their benefits; for example the company pays \$860 per month for health insurance. Ms. Winther said that while benefits were important, employees need a high hourly wage to pay their rent and utilities, buy food, etc. Mr. Embee said that under the ACA, their employees had to have health insurance or pay a penalty, and that the employees recognized the value of this insurance coverage. He stated that it's very difficult to find anyone looking for a job in the rural areas surrounding Victor. Mr. Embee said he was calling from the company's factory near Chicago, and that they were making plans to move work out of the Victor, Iowa plant due to a lack of workforce.

Mr. Pope said the company had advertised seasonal jobs for \$15 per hour and had no response. The company had implemented some flex time hours and Mr. Pope said they were doing all they could to attract

civilian employees. He and Ms. Brockhohn said that the company had only recently been informed by Mr. Clark that offender wages in January were likely to go to \$12.62 per hour, and that the company had not yet determined exactly what they would do with civilian wages, although an increase as soon as November was possible. Ms. Brockhohn said that the company currently has 171 employees, but just 8 are making less than \$12.00 per hour. She said that civilian employees move up the wage scale quickly.

Dr. Hillman asked to clarify the 90-day training wage. Mr. Clark said that companies may pay a training wage for 90 days as long as it is not below the federal minimum wage of \$7.25 per hour.

Newton Warden Kris Weitzell said there were 40 offenders that had been interviewed and were ready to work. She said the institution really likes the private sector employment program because offenders can pay off their court ordered restitution, they can pay child support, victim compensation and also build up some savings for when they get released. She said that some offenders have stayed on with their employer after they were released, and were even promoted to more responsible positions. The warden noted that having a job while incarcerated was an important factor in an offender's success after release. She noted that the CRC has about 350 residents, with 5-12 men released every week.

Mr. Carr said he had always supported the private sector program, and asked about transport of offenders to/from the RBI factory in Victor. The warden said the institution had trained the drivers, and should any problems occur, law enforcement was to be called. Mr. Clark stated that he and the Warden had met with the county sheriff regarding the work program. Ms. Gardner said a slow and gradual release of these minimum security offenders was preferable to a sudden release. Mr. Carr asked the warden about the screening process for these offenders, and she described the classification process.

Ms. Wilson, noting that just 8 of the 171 RBI employees were below \$12, said she assumed all civilians will be at the 2018 offender pay level soon. She asked whether the company would inform new employees during orientation about the value of their benefits, their wage versus the offender wages, and that they would be working alongside offenders. Ms. Brockhohn stated that yes they would, and that the company had already held meetings with all employees to explain the offender employment program.

Dr. Hillman asked for a vote on the motion to approve the offender work program at Riverbend Industries. The Board voted 6-1 to approve the motion, with Ms. Winther dissenting. The motion passed and the project is approved.

III. Offender Employment Project – West Liberty Foods (WLF).

Ms. Gardner made a motion to approve the private sector employment project for West Liberty Foods in Mount Pleasant, IA. The motion was seconded by Dr. Foster.

There was discussion about the motion. Mr. Carr asked whether this was the operation that processed turkeys, and Ms. Dyar stated that no, this operation sliced and packaged luncheon meat. Ms. Dyar said that civilians started at \$11.85 for decasers and \$12.48 for boxers. There is a 30-cent shift differential. Decasers earn \$12.69 after 90 days, and \$13.88 after one year, and Boxers \$12.95 after 90 days, and \$14.16 after one year. In answer to Mr. Carr's inquiry, she stated that the plant had an annual turnover of 85%, largely due to the discomfort of working in a 35-40 degree environment. The company has around 500 employees but needs 60 more. WLF offers benefits such as medical, dental, vision, life insurance, 401k match and vacation at Day 1. She described the point system used for attendance and sick time for production employees.

Mr. Carr stated the company had nearly \$1 Billion in sales, and asked about the company's net profit. Mr. Eads said WLF is a private company and did not release this information. Mr. Carr wondered whether the company was profitable enough that it could afford to pay more, and then wouldn't need to hire offenders.

Ms. Gardner said she lived in SE Iowa and in her experience, the region did not have enough people that were willing to work all day in a cold environment, that only certain people are willing and able to perform manual labor in those conditions. As a farmer, Ms. Gardner said she understood the company's difficulty in attracting a sufficiently large civilian workforce – that regardless of pay, most people don't want to do this type of work.

Ms. Dyar stated that other companies in the area are struggling to find employees as well, and that Hearth and Home was offering a \$1,000 sign-on bonus and still had 40 openings. Her belief is that pay alone won't solve the workforce problem. Ms. Gardner stated that in SE Iowa there are "Help Wanted" signs everywhere, and that there simply aren't enough potential employees. Her belief is that small and medium sized companies may be forced to leave the area due to a lack of workforce, and that the offender employment project is a win-win for everyone.

Warden Nelson described how MPCF had transitioned to a minimum secured facility, and described the classification process for what are known as "minimum work-outs" – the men that would be allowed to work at WLF. He mentioned that WLF had additional screening criteria. He said the facility has about 1,000 offenders, and releases around 25 per week. Some of the men being released have very limited job skills, and may owe so much restitution that they feel it's hopeless. This employment project would allow men to gain job experience and pay off some of these obligations before they are released.

Ms. Wilson asked how many of the 1,000 men have no job, and Warden Nelson stated that 60-65% of the offenders at MPCF do not have any job. Dr. Hillman asked whether the institution had 60 men ready to go, and Warden Nelson stated no, not yet. He stated it would be a gradual process to build up to 60, and that they would likely start with 5-10 initially.

Replying to a question from Ms. Wilson, Ms. Dyar said that offenders would earn \$10.00 per hour for the first 90 days, then move to the civilian wage of \$12.99 / \$13.25 for second shift decaser / boxer.

Dr. Hillman asked for a vote on the motion to approve the private sector program at West Liberty Foods in Mount Pleasant. The board voted 6-1 to approve the motion, with Ms. Winther dissenting. The motion passed and the project is approved.

IV. Adjourn

Ms. Gardner made a motion to adjourn, seconded by Dr. Foster. The meeting was adjourned at 7:52am.

Minutes submitted by:



Dan Clark, Director

Minutes approved by:



Dr. Doug Hillman, Chair

