



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 Eads (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