

Building Bridges To Success



Annual Report
2006-2007

A Program That Works For The Citizens Of Iowa

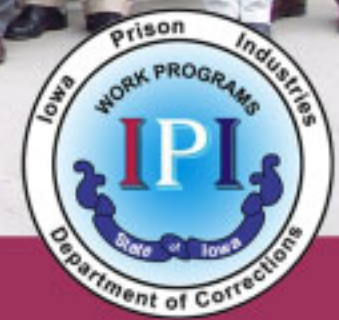


Iowa Prison Industries

A Division of The Department of Corrections

510 E 12th Street, Des Moines, IA 50319

800-670-4537 • www.iaprisonind.com



2007 Annual Conference
March 6, 2007 • University of Iowa

Returning Home

Message From The Director

On behalf of the Advisory Board for Iowa Prison Industries and the staff of IPI, I am pleased to present our Annual Operating Report for Fiscal Year 2007. This report provides an overview of our organization and a summary of the Fiscal Year's accomplishments, of which there are many. We have highlighted several significant events that will continue to help shape our future as we strive to expand our work opportunities for the offenders.

IPI is uniquely structured and represents the true spirit of social entrepreneurship. Our success is measured against a "double bottom line." We operate under a business model, meaning we are financially dependent upon our competitiveness and creative management skills to ensure that we are financially able to carry out the goals of providing work for offenders in vocations that allow them to return to the community as taxpayers at some future date. At the same time, we must give credit to our dedicated staff and offender population who have chosen to work at IPI. They are truly dedicated to the mission and causes for which we are obligated.

As you review our accomplishments (of which there are many), we do hope that we have answered most of the questions in your mind about IPI. We truly appreciate the support of our governing bodies and look forward to achieving the goals and mandates for the citizens of Iowa.

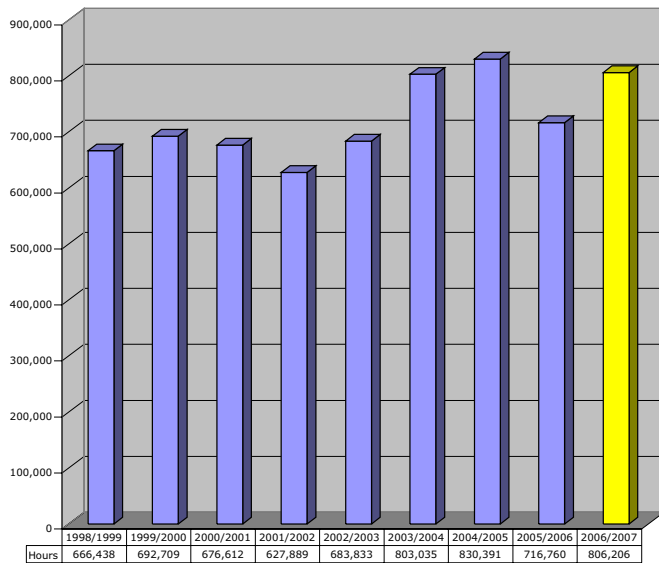
Sincerely,



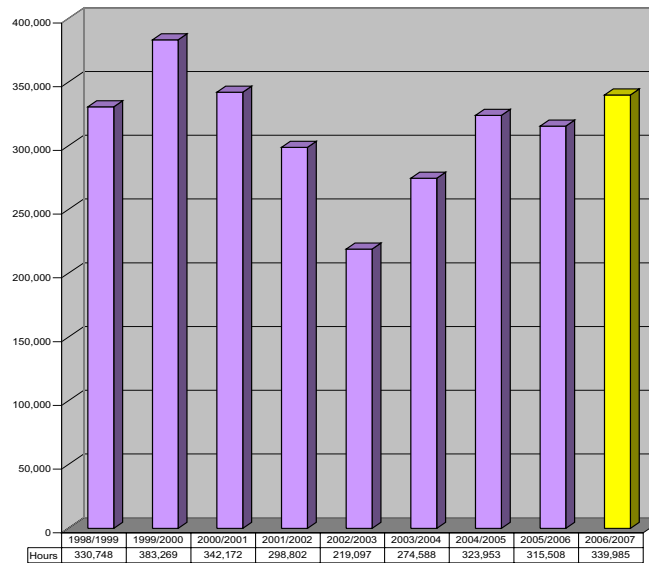
Roger L. Baysden

Inmate Work History

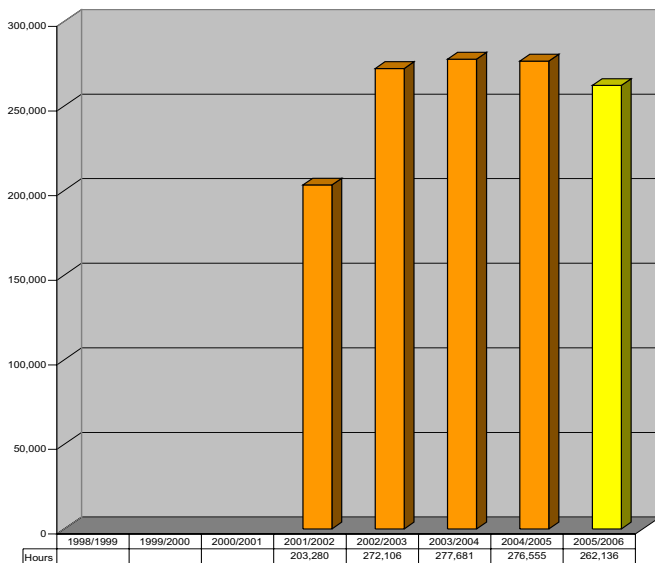
Traditional Industries Hours



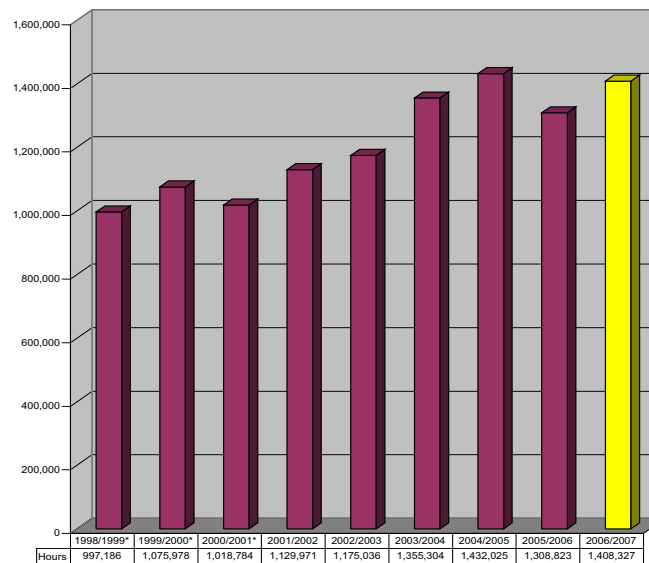
Private Sector Hours



Farms Hours*



Total IPI Inmate Hours



*Includes all farm work, DNR & community service.

Who We Are

Inmate Labor:

IPI is a program that works by changing the lives of offenders so that they have a chance to become responsible, law-abiding, taxpaying individuals when they return to society.

Benefits of inmate labor:

- Provides Job Training
- Reduces Disruption and Violence
- Reduces Taxpayers' Costs
- Satisfies Citizens' Expectations

IPI provided almost 600 jobs throughout Iowa during FY2007. No other program is more important to the successful re-entry of an offender than work ethic and interpersonal skill development.

IPI focuses heavily upon hard skill development by hands-on teaching of craftsmanship and on the soft skill development of cooperation and teamwork.

IPI inmates are among the finest craftsmen that can be found in a prison setting as is evidenced by our "Customer Report Card;" receiving 99% "Excellent" or "Good" rating on Service, Quality and Pricing (see page 17 for full results) with 97.5% of customers saying they would recommend IPI to others.

Inmate Wage Scale:

\$.50 for unskilled workers up to \$1.00 for skilled workers.

**Satisfied Customers
Equal More Work**

**Diversity...
Everyone Counts**

Industries Role In Rehabilitation Focuses On:

Soft Skills:

1. How to get along with others
2. How to interview
3. Problem solving
4. Customer satisfaction
5. Taxpayer expectation

Hard Skills:

1. Work / production
2. Measurements
3. Technology / design
4. Quality control
5. Performance rewards



Custom Wood CAD Operation, Fort Madison

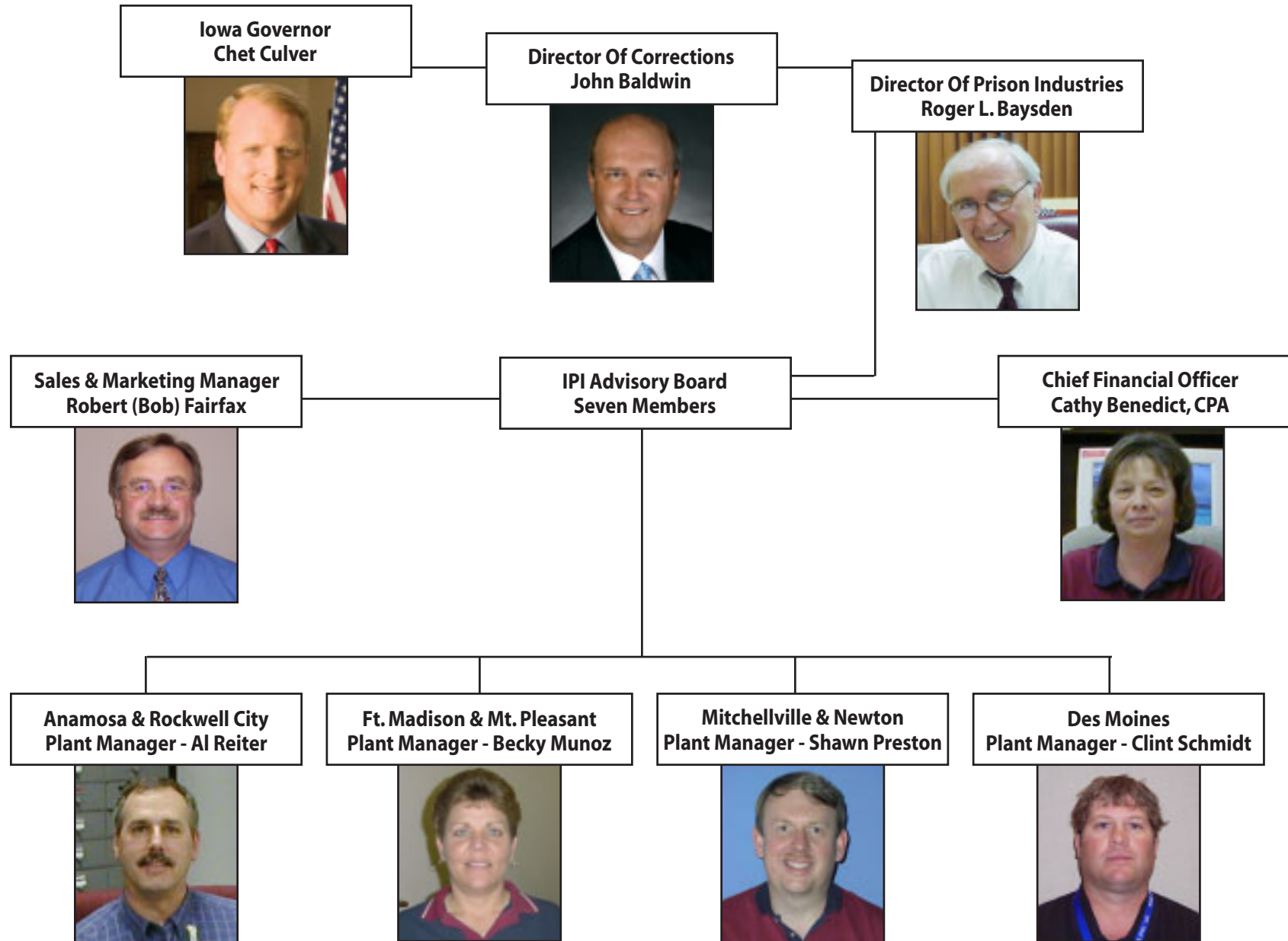


Central Canteen, Newton



Library Furniture, Johnston Community Schools

Who We Are





Dormitory Furniture Operation, Rockwell City



Air Filter Operation, Anamosa



Mission Lounge Furniture, Wartburg College

Who We Are

IPI Advisory Board Members

Name	Professional Organization	Year of Rotation
Robert Carr	Governor's Representative (Former State Senator)	2011
Dan Clark	Manufacturing Representative (Kemin Industries)	2011
Dr. Kathleen Delate	Agriculture Representative (Iowa State University)	2009
Dr. A. Douglas Hillman	Financial Representative (Drake University)	2011
Curtis Jenkins, Chair	Parole Board Representative	2008
Michael Peters	Voc-Tech Education Representative	2011
Mildred Slater	AFL/CIO-Labor Representative	2009

What They Do:

- Board meetings are held quarterly and rotate between all prisons with industries.
- Board members bring specialized expertise to IPI that has proven valuable.
- Board members:
 - Approve new business ventures.
 - Approve IPI's overall operations plans.
 - IPI Farm operations.
 - IPI / Private Sector operations.
 - Represent public and private business and labor.



IPI Board Members celebrate Secretary Jane Ross' 40 years of service to the State of Iowa. Pictured from left to right: Doug Hillman, Roger Baysden, Curtis Jenkins, Michael Peters, Mildred Slater, Jane Ross and Dan Clark.



Wood Furniture Operation, Fort Madison



Seating & Upholstery Operation, Mitchellville



Custom Wood Office Furniture, Iowa Department of Corrections

What We Do

Iowa Prison Industries is the manufacturing division of the Department of Corrections adult correctional system.

Iowa Prison Industries is a supplier of goods and services to State and local government agencies, public educational systems, and not-for-profit organizations that receive tax dollars.

Iowa Prison Industries is self-supporting through its revenues from sales. IPI supplies quality products and services to government agencies at competitive prices.

Iowa Prison Industries supplies many of the needs of the correctional system (such as furniture, clothing, cleaning supplies, printing and modular panels), reducing the taxpayers' costs for operating the State's prisons.

Iowa Prison Industries is a correctional program: industrial production teaches work habits and skills to men and women who typically have no prior meaningful employment experience and who, once released, will need legitimate work. Correctional Industries contribute to higher post-release employment success and lower recidivism (return to prison) rates.



Iowa Prison Industries is part and parcel of the management and control of Iowa's ever increasing prison population. IPI represents the primary tool for eliminating idleness, a leading cause of disruptiveness and violence behind prison walls.

Iowa Prison Industries is a large-scale purchaser of goods and services, supporting many businesses in small and large communities throughout the State.

Iowa Prison Industries replicates outside working world conditions. IPI inmates punch time clocks and are paid an hourly stipend (depending on the job title and time in grade) with the additional possibility of productivity bonuses. An inmate's work shift is typically seven hours per day, five days per week. In extraordinary circumstances, overtime may be authorized to meet deadlines. Again to replicate outside realities, IPI inmate workers are required either to have a high school diploma or to be making progress toward earning an equivalency diploma.

Iowa Prison Industries employs 86 staff workers, up from 78 in 2004, in various capacities of inmate management.

**Iowa Prison Industries Is
100% Self-Funding!**



Metal Furniture Operation, Rockwell City



Imaging Operation, Mitchellville



Classroom Furniture, Des Moines Public Schools

Benefits of IPI

Iowa Prison Industries Is The Best Value In State Government!

Benefits To Taxpayers:

- Iowa Prison Industries is 100% self-funding.
- Iowa Prison Industries provided over 1.4 million hours of tax-free inmate training in FY2007.
- Iowa Prison Industries provides nearly 600 inmate jobs per day and in FY2007 trained over 1,500 inmates in work programs.
- Iowa Prison Industries is the single most important tool available that will impact recidivism. IPI provides hope.

Iowa Prison Industries purchased over \$19.4 million in raw materials, supplies & services in FY2007.

Benefits To Customers:

- 99% of Iowa Prison Industries' customers rated IPI an EXCELLENT or GOOD supplier in FY2007 and 97.5% said they would recommend IPI to others.
- Quality products.
- Real value for their money.
- Reliable labor at reasonable rates.
- Full-service operation.

Satisfied customers keep coming back! 99% of our customers rated us EXCELLENT or GOOD in FY2007!

Benefits To Corrections:

Iowa Prison Industries programmatic benefits include:

- Security, inmate control, reduced idleness.
- Helps to prepare inmate for re-entry into society.
- Reduces operating costs for the prison.

*"the analysis of the effect of prison industries participation on institutional behavior found a consistent pattern of lower rates of involvement in officially-recorded disciplinary violations among inmates assigned to industry programs"**

*Hindelang Criminal Justice Research Center, State of New York at Albany

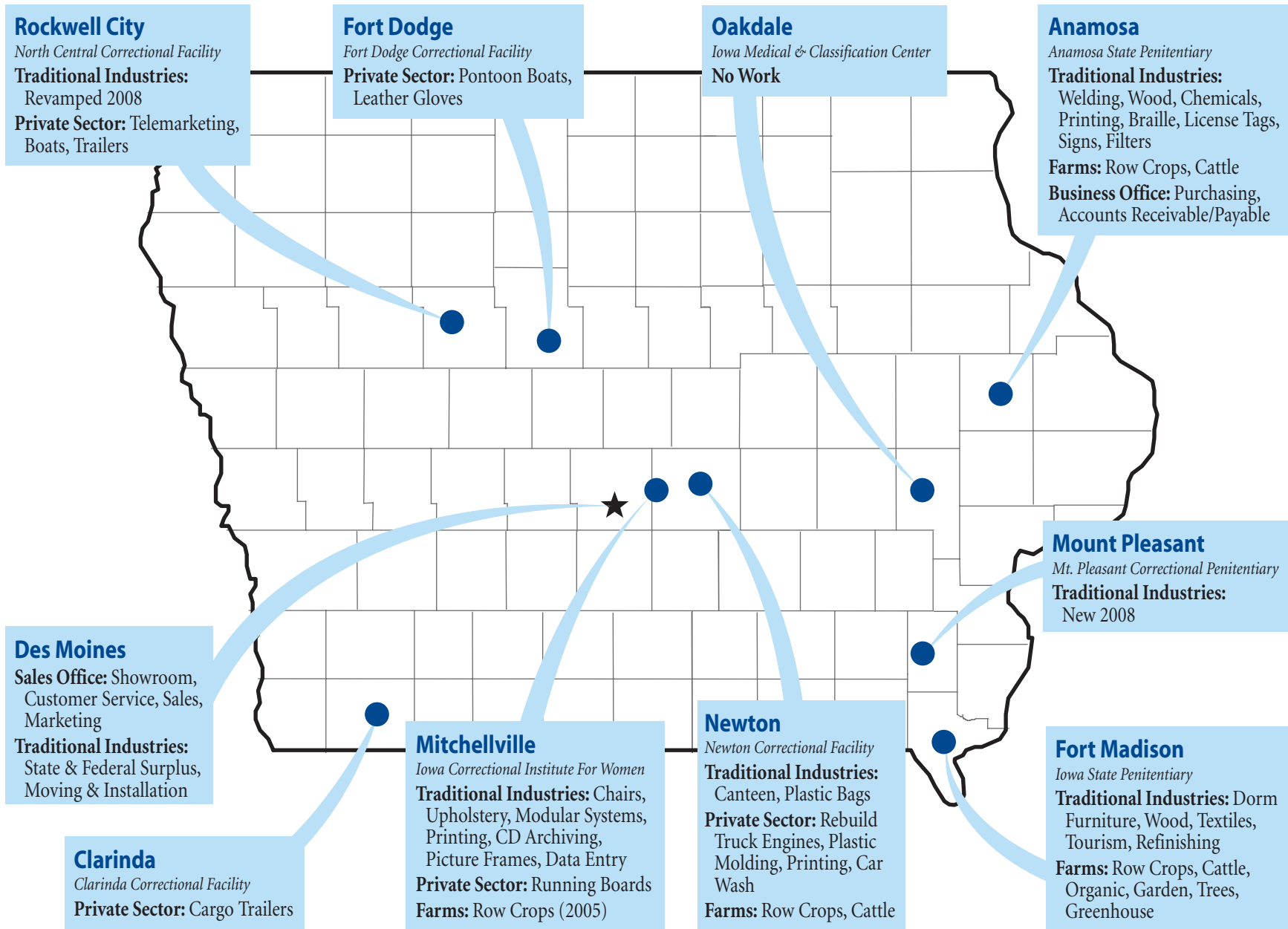
Benefits To Offenders:

- Marketable skills.
- Developing of a sound work ethic.
- Self confidence and pride of accomplishment.
- Savings and family support.

Offenders are released with a sparkle of hope!

Iowa Prison Industries Is A Tax-Free Program!

IPI Locations



Financial Data

Financial Statement Summary FY2007

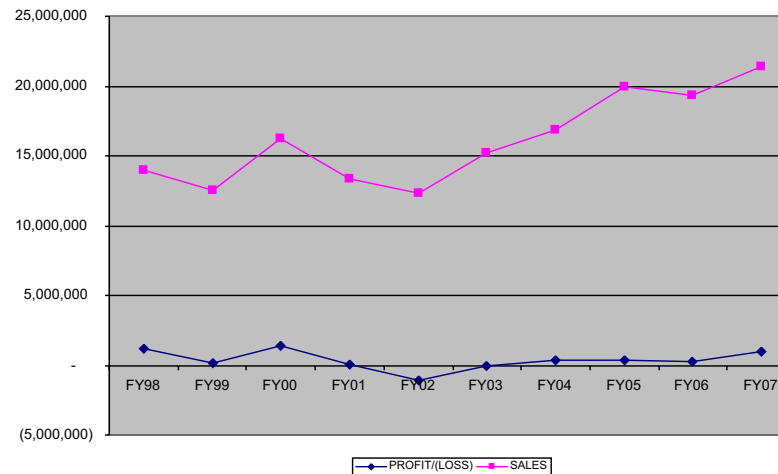
	----- SALES -----		----- CHANGE -----			----- SALES -----		----- CHANGE -----			
	FY2007	FY2006	\$	%		FY2007	FY2006	\$	%		
ANAMOSA					MITCHELLVILLE						
License Plates	\$1,102,363	\$1,187,205	(84,842)	(7.1)%	Panels & Seating	1,414,459	1,372,493	41,966	3.1%		
Sign	2,370,641	2,499,619	(128,978)	(5.2)%	Printing	339,121	405,612	(66,491)	(16.4)%		
Graphic Arts	821,353	791,147	30,206	3.8%	CD Rom	197,908	208,701	(10,792)	(5.2)%		
Housekeeping/Laundry	1,478,192	1,298,579	179,612	13.8%	MITCHELLVILLE TOTAL	1,951,489	1,986,806	(35,317)	(1.8)%		
Filters	131,223		131,223		DES MOINES						
Metal Furniture	2,093,353	2,294,714	(201,361)	(8.8)%	State Surplus	227,639	198,351	29,288	14.8%		
Custom Wood	668,758	663,475	5,283	0.8%	Federal Surplus Property	120,105	21,757	98,348	452.0%		
Braille	287,817	216,226	71,590	33.1%	Moving & Installation	323,167	289,958	33,208	11.5%		
ANAMOSA TOTAL	8,953,700	8,950,967	2,733	0.0%	DES MOINES TOTAL	670,911	510,066	160,845	31.5%		
FT MADISON					PLASTICS						
Furniture	2,229,030	1,784,452	514,578	28.8%	784,358	539,460	244,898	45.4%			
Textile	784,138	585,525	198,613	33.9%	CANTEEN						
Tourism/Call Center	199,200	144,153	55,047	38.2%	4,755,231	4,589,048	166,183	3.6%			
Drycleaning	0	4,745	(4,745)								
FT MADISON TOTAL	3,282,368	2,518,875	763,493	30.3%							
					----- SALES -----		----- CHANGE -----				
					FY2007	FY2006	\$	%			
					TOTAL	20,398,056	19,095,222	1,302,834	6.8%		

**IPI Supports The Local
Economy: IPI Purchased Over
\$19.4 Million in Raw Materials, Supplies
& Services In FY2007**

Financial Data

10 Year Sales & Profit Trends FY1998 - FY2007

	PROFIT	SALES
FY07	976,907	20,398,056
FY06	279,018	19,095,222
FY05	401,110	19,582,139
FY04	332,976	16,483,191
FY03	(71,199)	15,291,186
FY02	(1,063,259)	13,386,781
FY01	10,247	13,333,308
FY00	1,376,615	14,841,110
FY99	166,956	12,373,677
FY98	1,177,554	12,823,937



- IPI has increased sales each year, in spite of agencies continuing to ignore Iowa Code 904.808. The Auditor's Report has previously reported this and has recommended code change or corrective action by the legislature.
- 1996 was the last license tag re-issue. Profits increase during re-issue years.
- In 2007, IPI rebated \$605,958 to the Department of Corrections for Canteen.
- In 2005, IPI took over the Federal Surplus operations from DAS. Federal Surplus consolidated with State Surplus, which IPI has operated since 1997.
- In 2006, IPI consolidated all Des Moines operations into the IPI Complex at 2323 Dean Avenue, which houses the IPI Showroom, State Surplus and Federal Surplus.

IPI's mandate is to employ offenders, not to make money.

Financial Data

Top 50 Customers

FY2000		DOLLARS	FY2007		DOLLARS
1	IOWA STATE UNIVERSITY	\$ 1,650,764	1	UNIVERSITY OF IOWA	\$ 1,501,861
2	VARIOUS SURPLUS DEPT.	\$ 169,758	2	IOWA STATE UNIVERSITY	\$ 498,883
3	UNIVERSITY OF IOWA	\$ 103,448	3	DES MOINES IND CMMTY SCHOOL	\$ 364,950
4	LINN CO. ENGINEER	\$ 69,989	4	NORTH CAROLINA DEPT OF	\$ 168,256
5	DAVENPORT SCHOOL ADMIN.	\$ 49,765	5	VARIOUS SURPLUS CUSTOM (REGTX)	\$ 166,376
6	GRINNELL COLLEGE	\$ 48,912	6	MORNINGSIDE COLLEGE	\$ 145,708
7	COURT ADMIN. / WATERLOO	\$ 46,043	7	DAVENPORT SCHL ADMIN SERV CENT	\$ 127,554
8	MT. PLEASANT COMM. SCHOOL	\$ 44,134	8	MINNCOR INDUSTRIES	\$ 123,110
9	DES MOINES IND COMM. SCHOOL	\$ 43,029	9	UNIVERSITY NORTHERN IA PURCH	\$ 118,004
10	DOT - DES MOINES	\$ 1,189,582	10	WARTBURG COLLEGE	\$ 101,147
11	DOT - AMES	\$ 919,749	11	STONE CITY IRON & METAL	\$ 80,630
12	HUMAN SERVICES DEPT.	\$ 745,970	12	SOUTHEASTERN CMMTY COLLEGE	\$ 78,944
13	ECONOMIC DEV. DEPT	\$ 718,084	13	WATERLOO CMMTY SCHOOL	\$ 74,817
14	FT. DODGE CORR. FACILITY	\$ 467,205	14	SIGMA ALPHA EPSILON	\$ 72,424
15	ICIW - MITCHELLVILLE	\$ 318,631	15	MARSHALLTOWN CMMTY SCHOOL	\$ 69,169
16	NEWTON CORR. FACILITY	\$ 299,802	16	MARENGO CITY OF	\$ 66,349
17	MT. PLEASANT CORR. FACILITY	\$ 284,891	17	NORWALK CMMTY SCHOOL	\$ 62,024
18	ANAMOSA STATE PENITENTIARY	\$ 273,962	18	IOWA CITY CMMTY SCHOOL	\$ 56,296
19	IOWA STATE PENITENTIARY	\$ 263,457	19	ST. MARY'S CATHOLIC CHURCH	\$ 50,881
20	GLENWOOD STATE HOSPITAL	\$ 199,935	20	SIOUX CITY CITY OF	\$ 47,987
21	CLARINDA CORR. FACILITY	\$ 179,488	21	BRIAR CLIFF COLLEGE	\$ 47,232
22	DHS REGION 5	\$ 160,578	22	IOWA WESLEYAN COLLEGE	\$ 45,360
23	NATURAL RESOURCES/DM	\$ 149,503	23	DOT DES MOINES VEHICLE REG	\$ 936,923
24	EDUCATION DEPT	\$ 139,946	24	NATURAL RESOURCE DES MOINES	\$ 587,011
25	CENTRALIZED PRINTING	\$ 135,037	25	ADMINISTRATIVE SERV DEPT OF	\$ 485,954
26	STATE VEHICLE DISPATCH	\$ 134,430	26	GLENWOOD RESOURCE CTR #91	\$ 478,095
27	HUMAN RIGHTS DEPT.	\$ 129,933	27	IOWA MEDICAL CLASS CENTER	\$ 424,821
28	DHS REGION 3	\$ 124,586	28	MT PLEASANT CORR FAC	\$ 333,289
29	BOARD OF MEDICAL EXAMINERS	\$ 117,616	29	IOWA STATE PENITENTIARY	\$ 320,979
30	IMCC - OAKDALE	\$ 111,280	30	DOT AMES	\$ 309,406
31	CORRECTIONS DEPT.	\$ 101,571	31	ANAMOSA ST PENITENTIARY	\$ 295,888
32	GENERAL SERVICES DEPT.	\$ 100,847	32	CLARINDA CORRECTIONAL FACILITY	\$ 253,816
33	HUMAN SERVICES DEPT.	\$ 89,756	33	FORT DODGE CORR FACILTY	\$ 249,408
34	REVENUE DEPT	\$ 89,223	34	ECONOMIC DEVELOPMENT DEPT OF	\$ 235,829
35	IOWA VETERANS HOME	\$ 88,027	35	NEWTON CORRECTIONAL FAC	\$ 212,400
36	DHS REGION 1	\$ 86,427	36	COLLEGE AID COMM	\$ 157,358
37	DHS REGION 2	\$ 85,463	37	DHS FISCAL MGMT	\$ 151,420
38	IOWA WORKFORCE DEV.	\$ 80,941	38	IOWA VETERANS HOME	\$ 124,089
39	NORTH CENTRAL CORR. FACILITY	\$ 73,966	39	BLIND DEPT FOR THE	\$ 109,904
40	CIVIL RIGHTS COMM.	\$ 72,182	40	WOODWARD RESOURCE CENTER	\$ 71,563
41	PHARMACY EXAMINER BRD	\$ 70,573	41	IOWA CRRCTNL INST WOMEN	\$ 65,474
42	DHS REGION 4	\$ 68,533	42	DHS SERVICE AREA 6	\$ 59,646
43	THIRD JUDICIAL DISTRICT	\$ 62,020	43	STATE TRAIN SCHOOL FOR BOYS	\$ 58,299
44	CLARINDA YOUTH CORP.	\$ 61,360	44	CENTRALIZED PRINTING	\$ 55,772
45	WOODWARD RESOURCE CENTER	\$ 61,029	45	DHS SERVICE AREA 7	\$ 54,727
46	DENTAL EXAMINER BRD	\$ 58,882	46	IOWA COMMUNICATIONS NETWORK	\$ 53,599
47	VOCATIONAL REHABILITATION	\$ 55,583	47	IOWA WORKFORCE DEV	\$ 53,241
48	HEALTH DEPT.	\$ 53,368	48	PUBLIC HEALTH PLAN & ADM	\$ 49,204
49	PERSONNEL DEPT	\$ 43,319	49	REVENUE DEPT OF	\$ 47,060
50	MHI / MT PLEASANT	\$ 42,674	50	CORRECTIONS DEPT OF	\$ 41,127
TOTAL		\$ 10,735,251	TOTAL		\$ 10,344,265

- In FY2000, only 9 of IPI's top 50 customers were volunteer purchasers.
- In FY2007, 22 of IPI's top 50 customers were volunteer purchasers.

This confirms IPI's quality, service and price reputation is reaching new customers.

Satisfied Customers

Customer Testimonials



Sovereign Grace Baptist Church: Church Furnishings

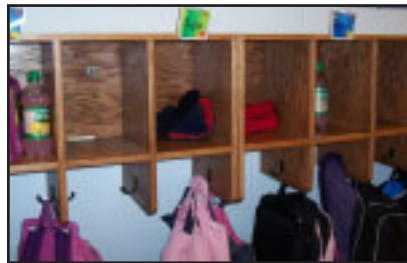
“Beautiful finish and craftsmanship.”

– Galen R. Haegele, Pastor - June 2007

University of Iowa, School of Social Work: Custom Office Furnishings

“Everything was great! I’ve never had such personalized expert help with ordering office furniture! Expert installation.”

– Susan Dirks, Secretary - April 2007



Rivermont Collegiate School: Custom School Furnishings

“IPI built a prototype exactly as designed... In the process of building they matched the stain that was on the classroom oak doors, and the workmanship was outstanding. The quality of the

workmanship could not have been better..

Again, I thank you for your assistance. I further thank the supervisors, and especially the workers who build a quality piece of furniture. In the future, I hope to have IPI build more furniture for us.”

– Charles Rodriguez, Buildings & Grounds Superintendent - April 2007

Iowa Medical & Classification Center: Custom Wood Furnishings

“Everything is beautiful. Far exceeds our expectations.”

– Carol Manternach, Purchasing Agent - February 2007



Governor’s Mansion

(Terrace Hill): Custom Wood Furnishings

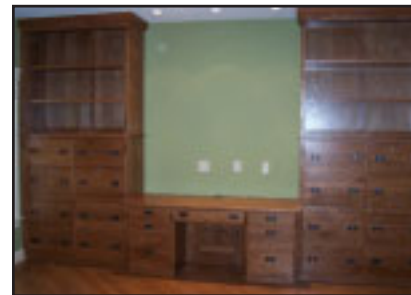
“The bed turned out beautifully!! We are very pleased with it. Thank you, and please convey to your team a big thank you for their craftsmanship (and craftswomanship as the case may be)!”

– First Lady Mari Culver - February 2007

University of Iowa: Memorial Union Event Center Seating

“Great sales / delivery staff. Great product. Pleasure to work with.”

– Cory Lockwood, Manager, Guest & Event Services - December 2006



Home Office: Custom Wood Furnishings

“It is imperative that I take this opportunity to express my thanks and congratulations for a job well done. The office furniture that was produced by Iowa Prison Industries for me has far exceeded all of my expectations. Without

exception, everyone that sees the furniture raves about its design, attention to detail, esthetic beauty and functionality. Words alone do not fully express my satisfaction.

Please convey my gratitude with everyone involved in this project. They have all earned a heavy pat on the back for a job which I can only describe as pure perfection.”

– John Nahra, Senior Judge, 7th Judicial District - November 2006

Board of Parole: Custom Wood Furnishings

“IPI’s quality of their products and customer service is 2nd to none!”

– Clarence Key, Executive Director - November 2006

Satisfied Customers

Customer Satisfaction Card Results FY2007

	Anamosa			Mitchellville			Fort Madison		
	Excellent	Good	Below Average	Excellent	Good	Below Average	Excellent	Good	Below Average
Sales Representative Knowledge	88.0%	11.4%	0.6%	75.0%	25.0%	0.0%	100.0%	0.0%	0.0%
Timeliness of Delivery	77.2%	21.2%	1.7%	61.1%	33.3%	5.6%	75.0%	15.0%	10.0%
Delivery Service	81.0%	17.5%	1.4%	76.4%	21.8%	1.8%	100.0%	0.0%	0.0%
Quality of Goods	83.9%	15.7%	0.5%	83.3%	14.8%	1.9%	94.7%	5.3%	0.0%
Value for Money	87.6%	12.4%	0.0%	79.2%	20.8%	0.0%	94.7%	5.3%	0.0%
Questions/Problems Handled Promptly	87.5%	11.1%	1.4%	74.5%	25.5%	0.0%	88.2%	11.8%	0.0%
Average	83.7%	15.3%	0.9%	74.9%	23.5%	1.6%	92.1%	6.1%	1.8%
	Yes	No	Maybe	Yes	No	Maybe	Yes	No	Maybe
Would you recommend us to others?	97.6%	0.6%	1.9%	95.7%	0.0%	4.3%	100.0%	0.0%	0.0%

IPI Overall			
Cards Returned: 1,194			
	Excellent	Good	Below Average
Sales Representative Knowledge	87.4%	12.1%	0.6%
Timeliness of Delivery	76.2%	21.7%	2.1%
Delivery Service	81.2%	17.4%	1.4%
Quality of Goods	84.1%	15.4%	0.5%
Value for Money	87.2%	12.8%	0.0%
Questions/Problems Handled Promptly	86.6%	12.2%	1.2%
Average	83.4%	15.6%	1.0%
	Yes	No	Maybe
Would you recommend us to others?	97.5%	0.5%	2.0%

**Satisfied Customers
Come Back
Year After Year.**



St. John's (Norwalk) staff seated on church pews during Fort Madison tour.

State Of Iowa Code

904.801-STATEMENT OF INTENT

It is the intent of this division that there be made available to inmates of the state correctional institutions 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.

904.803-PRISON INDUSTRY ADVISORY BOARD

1. **There is established a state prison industries advisory board, consisting of seven members selected as prescribed by this subsection.**
 - a. Five members shall be appointed by the governor for terms of four years beginning July 1 of the year of appointment. They shall be chosen as follows:
 - (1) One member shall represent agriculture and one member shall represent manufacturing, with particular reference to the roles of their constituencies as potential employers of former inmates of the state's correctional institutions.
 - (2) One member shall represent labor organizations, membership in which may be helpful to former inmates of the state's correctional institutions who seek to train for and obtain gainful employment.
 - (3) One member shall represent agencies, groups and individuals in this state which plan and maintain programs of vocational and technical education oriented to development of marketable skills.
 - (4) One member shall represent the financial industry and be familiar with accounting practices in private industry.
 - b. One member each shall be designated by and shall serve at the pleasure of the state director and the state board of parole, respectively.
 - c. Upon the resignation, death or removal of any member appointed under paragraph "a" of this subsection, the vacancy shall be filled by the governor for the balance of the unexpired term. In making the initial appointments under that paragraph, the governor shall designate two appointees to serve terms of two years and three to serve terms of four years from July 1, 1977.
2. **Biennially, the industries board shall organize by election of a chairperson and a vice chairperson, as soon as reasonably possible after the new appointees have been named.** Other meetings shall be held at the call of the chairperson or of any three members, as necessary to enable the industries board to discharge its duties. Board members shall be reimbursed for expenses actually and necessarily incurred in the discharge of their duties, and those members not state employees shall also be entitled to a per diem as specified in section 7E.6 for each day they are so engaged.
3. **The state director shall provide such administrative and technical assistance as is necessary to enable the industries board to discharge its duties.** The industries board shall be provided necessary office and meeting space at the seat of government.

State Of Iowa Code

904.804-DUTIES OF THE BOARD

The industries board's principal duties shall be to promulgate and adopt rules and to advise the state director regarding the management of Iowa State Industries so as to further the intent stated by section 904.801.

904.805-DUTIES OF THE DIRECTOR

The state director, with the advice of the industries board, shall:

1. **Conduct market studies** and consult with public bodies and officers who are listed in section 904.807, and with other potential purchasers, for the purpose of determining items or services needed and design features desired or required by potential purchasers of Iowa State Industries products or services.
2. **Receive, investigate and take appropriate action upon any complaints** from potential purchasers of Iowa State Industries products or services regarding lack of cooperation by Iowa State Industries with public bodies and officers who are listed in section 904.807, and with other potential purchasers.
3. **Establish, transfer and close industrial operations as deemed advisable** to maximize opportunities for gainful work for inmates and to adjust to actual or potential market demand for particular products or services.
4. **Establish and from time to time adjust, as necessary, levels of allowances** paid to inmates working in Iowa State Industries.
5. **Coordinate Iowa State Industries, and other opportunities for gainful work available to inmates of adult correctional institutions, with vocational and technical training opportunities and apprenticeship programs, to the greatest extent feasible.**
6. **Promote, plan, and when deemed advisable, assist in the location of privately owned and operated industrial enterprises** on the grounds of adult correctional institutions, pursuant to section 904.809.

904.808-STATE PURCHASING REQUIREMENTS (Poorly Enforced)

1. **A product possessing the performance characteristics of a product listed in the price lists prepared pursuant to section 904.807 shall not be purchased by any department or agency of state government from a source other than Iowa state industries, except:**
 - a. When the purchase is made under emergency circumstances, which shall be explained in writing by the public body or officer who made or authorized the purchase if the state director so requests; or
 - b. When the state director releases, in writing, the obligation of the department or agency to purchase the product from Iowa State Industries, after determining that Iowa State Industries is unable to meet the performance characteristics of the purchase request for the product, and a copy of the release is attached to the request to the Director of Revenue and Finance for payment for a similar product, or when Iowa State Industries is unable to furnish needed products, comparable in both quality and price to those available from alternative sources, within a reasonable length of time. Any disputes arising between a purchasing department or agency and Iowa State Industries regarding similarity of products, or comparability of quality or price, or the availability of the product, shall be referred to the Director of the Department of General Services, whose decision shall be subject to appeal as provided in section 18.7. However, if the purchasing department is the Department of General Services, any matter which would be referred to the director under this paragraph shall be referred to the executive council in the same manner as if the matter were to be heard by the Director of the Department of General Services. The decision of the executive council is final.
2. **The state director shall adopt and update as necessary rules setting specific delivery schedules for each of the products manufactured by Iowa State Industries.** These delivery schedules shall not apply where a different delivery schedule is specifically negotiated by Iowa state industries and a particular purchaser.
3. **A department or agency of the state shall cooperate and enter into agreements, if possible, for the provision of products and services under an inmate work program** established by the state director under section 904.703.

Private Sector

Private Sector is the fastest growing segment of IPI, now accounting for 60% of all inmate Prison Industries jobs, up from only 5% in 1997. Private Sector is by far the most popular with the inmates and the cheapest skill-building program the state can offer. Private companies employ the inmates at prevailing wages. The private company is entirely responsible for inmate training. The state provides security only. Iowa Code 904.809 discusses in detail the flexibility of private sector work programs.

**Private Sector provided
339,984 hours of inmate
contact in FY2007. (+7.8%)**

Quick Facts:

- 244 inmates work in private sector, or about 2.8% 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 21 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 \$4.2 million in TAXES since 1999.
- Private Sector inmates have paid over \$2.0 million in restitution since 1999.
- Private Sector inmates have paid over \$1.0 million in Victims Comp since 1999.
- Private Sector inmates have paid back to the General Fund over \$7.3 million since 1999.
- 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!

Private Sector

80% of an inmate's wages goes to satisfy obligations!

EMPLOYER NAME	AVG. NUMBEF INMATES	TOTAL HOURS	GROSS WAGE	TOTAL TAXES	FAM/CHILD SUPPORT	OTHER	NET WAGE	RESTITUTION	VICTIM COMP	DOC SANCTIONS	COURT FEES	SAVINGS	INMATE ACCOUNT	GENERAL FUND OFFSET
CGB Printing	38	67,789.25	\$ 504,606.55	\$ 96,599.12	\$ 64,201.09	\$ 727.00	\$ 342,989.34	\$ 60,672.12	\$ 25,230.92	\$ 78.07	\$ -	\$ 1,356.45	\$ 99,486.93	\$ 156,164.85
Midland Mfg.	11	19,102.85	\$ 154,451.48	\$ 30,403.75	\$ 14,485.05	\$ 430.00	\$ 109,132.68	\$ 21,509.47	\$ 7,722.71	\$ 113.32	\$ -	\$ 561.96	\$ 30,215.11	\$ 49,010.11
NuAge Marketing. (RC)	24	27,328.73	\$ 163,197.18	\$ 22,607.39	\$ 24,040.64	\$ 396.00	\$ 116,153.15	\$ 19,907.49	\$ 8,156.62	\$ 0.78	\$ 2.01	\$ 802.73	\$ 31,833.94	\$ 55,449.58
Dee Zee Manuf.	14	2,702.59	\$ 24,503.02	\$ 6,785.01	\$ 779.64	\$ -	\$ 16,938.37	\$ 3,451.20	\$ 1,222.68	\$ -	\$ -	\$ 108.52	\$ 4,782.08	\$ 7,373.89
Misty Harbor/Ft.Dodge	8	11,870.00	\$ 93,661.33	\$ 17,124.10	\$ 10,718.72	\$ -	\$ 65,818.51	\$ 9,152.54	\$ 4,682.89	\$ 14.06	\$ 863.25	\$ 300.33	\$ 17,554.79	\$ 33,250.33
Sully Wash	8	16,198.70	\$ 103,642.84	\$ 18,421.68	\$ 12,202.18	\$ 75.00	\$ 72,943.98	\$ 12,231.44	\$ 5,182.58	\$ -	\$ -	\$ 264.05	\$ 20,464.70	\$ 34,801.18
Majestic Truck	6	9,094.24	\$ 91,278.84	\$ 16,859.48	\$ 8,159.47	\$ 848.50	\$ 65,496.41	\$ 12,545.26	\$ 4,564.01	\$ 16.13	\$ -	\$ 289.24	\$ 17,950.42	\$ 30,131.35
Misty Harbor/Rockwell	10	16,675.00	\$ 155,608.95	\$ 29,925.35	\$ 12,327.94	\$ 16,684.07	\$ 89,060.90	\$ 14,196.76	\$ 7,347.81	\$ -	\$ -	\$ 534.22	\$ 28,856.68	\$ 38,125.43
H & H Trailer	59	102,855.75	\$ 905,702.85	\$ 179,282.80	\$ 96,634.00	\$ -	\$ 629,786.08	\$ 68,304.64	\$ 44,947.21	\$ 10.54	\$ 67.74	\$ 10,507.76	\$ 170,178.58	\$ 335,775.61
Jet Co	28	41,624.75	\$ 353,037.09	\$ 66,174.83	\$ 38,170.28	\$ 40,681.25	\$ 207,993.73	\$ 41,062.54	\$ 17,652.24	\$ -	\$ -	\$ 1,240.21	\$ 69,367.28	\$ 78,671.44
Hawkeye Glove	0	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NuAge Marketing. (FID)	12	13,398.25	\$ 80,917.98	\$ 17,205.68	\$ 9,791.01	\$ 66.00	\$ 59,848.71	\$ 11,101.01	\$ 4,051.23	\$ 82.00	\$ 476.37	\$ 347.17	\$ 15,079.30	\$ 28,711.63
HTL	20	10,858.00	\$ 99,906.47	\$ 20,405.87	\$ 4,518.53	\$ 7,586.00	\$ 45,608.06	\$ 8,735.28	\$ 3,664.09	\$ -	\$ -	\$ 235.01	\$ 14,421.44	\$ 18,552.24
Fisher Hydraulics	6	486.50	\$ 5,791.63	\$ 1,284.73	\$ -	\$ 280.00	\$ 4,226.90	\$ 722.68	\$ 289.59	\$ 27.70	\$ -	\$ 34.87	\$ 1,095.78	\$ 2,056.28
TOTAL	244	339,984.61	\$ 2,736,306.21	\$ 523,079.79	\$ 296,028.55	\$ 67,773.82	\$ 1,825,996.82	\$ 283,592.43	\$ 134,714.58	\$ 342.60	\$ 1,409.37	\$ 16,582.52	\$ 521,287.03	\$ 868,073.92

Iowa Private Sector Employment Works!

In a recent study conducted by Cindy J. Smith, Ph.D., of the University Baltimore, her final report submitted to NIJ described findings from a multi-state study, including Iowa. The following highlights the findings from the Iowa sample, which tracked 1,091 inmates who worked in private sector prison industries jobs and were released from prison between 1999 and 2001, and compared their results with similar offenders who had worked in either traditional prison industries or other institutional jobs. All offenders were tracked through mid-2003. This results in a follow-up period of slightly less than two years up to four and one-half years.

Fact #1: Private sector prison workers **significantly more likely to get jobs following release.** 80% of private sector prison workers obtained employment within the first quarter upon release, compared to 60% of the other groups. 11% of private sector prison workers did not have reported earnings on follow-up, compared with 21% and 27% of the other groups.

Fact #2: Private sector prison workers **significantly more likely to be continuously employed following release.** 49.2% of private sector prison workers were employed for one year or more continuously, compared to 43.9% and 45.6% of the other groups.

Fact #3: Private sector prison workers **retained employment significantly longer** than the comparison groups, based on survival analysis of the employment data described above.

Fact #4: Private sector prison workers **earn more wages and higher wages.** Mean wages for private sector prison workers over 6.6 quarters were \$4,381 to \$5,620 higher than the comparison groups.

Fact #5: Private sector prison workers **significantly more likely to stay out of prison,** compared to offenders who were not involved in prison industries while incarcerated. 95.5% of private sector prison workers, and 95.6% of the traditional prison industries comparison group remained out of prison during the follow-up period, compared to 91.2% of the comparison group who had other institutional job assignments.

What this means: Iowa Prison Industries' private sector prison employment program **helps released offenders become taxpaying citizens quicker and remain employed longer** than similar offenders who did not work in private sector prison jobs, and **reduces their likelihood of returning to prison. These findings demonstrate private sector prison employment is an effective means to successful offender reentry into the community.**

Iowa Leads The Nation In Rehabilitation!

Private Sector

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.
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.



IPI Cornfield & Buildings, Anamosa



IPI Cattle, Newton



IPI Bean Field, Anamosa

IPI Farms

- IPI operates under a farm/business model.
- IPI row crops and livestock are sold on the open market.
- IPI receives **NO** funding from the legislature.
- IPI receives **NO** federal funding support except LDP's on our crops.
- IPI began paying property taxes in 2006 on leased ground.
- IPI pays union scale wages to staff.
- IPI has maintained a sustainable income continuously since 1996.

**IPI... Farming
For The Future**

**IPI Farms provided 262,136 hours
of inmate contact last year.**

Organic Farms:

Legislative mandate: Explore and report feasibility of organic farms.

- IPI's first purely Organic Farm is located at Fort Madison. In 2007, we started with 56.73 acres in the program:
 - 35.2 acres of organic alfalfa (yielded 320 big square bales)
 - 12 acres of transitional wheat (yielded 296.5 bushel, sold for \$5.29 a bushel)
 - 6.53 acres of organic alfalfa (1st cutting), then soybeans
 - 3 acres of soybeans

We ended up with 47.2 acres in the organic program. All the soybeans had to be sprayed due to major weed pressures. Therefore that ground could no longer be certified as organic and the crop then had to be sold as a conventional crop.

- We continue to have a hard time locating a market for our organic hay since the relative feed value of the hay is too low to meet the quality needed to feed dairy livestock. The only way to increase the relative feed value would be irrigation and high recommendations of fertilizer. We have also been told by Dr. Kathleen Delate at ISU that the Fort Madison organic farm is too far south to raise top quality organic hay. We continue to search for a market, but if we cannot receive a premium price for the hay, we are better off feeding it to the IPI cow herd.
- Organic Farms are labor intensive and more costly to operate than traditional farms. Organic Farms require certification and crop sales are highly dependent upon maintaining chemical free from any foreign contamination.

No funding will be required from the legislature.

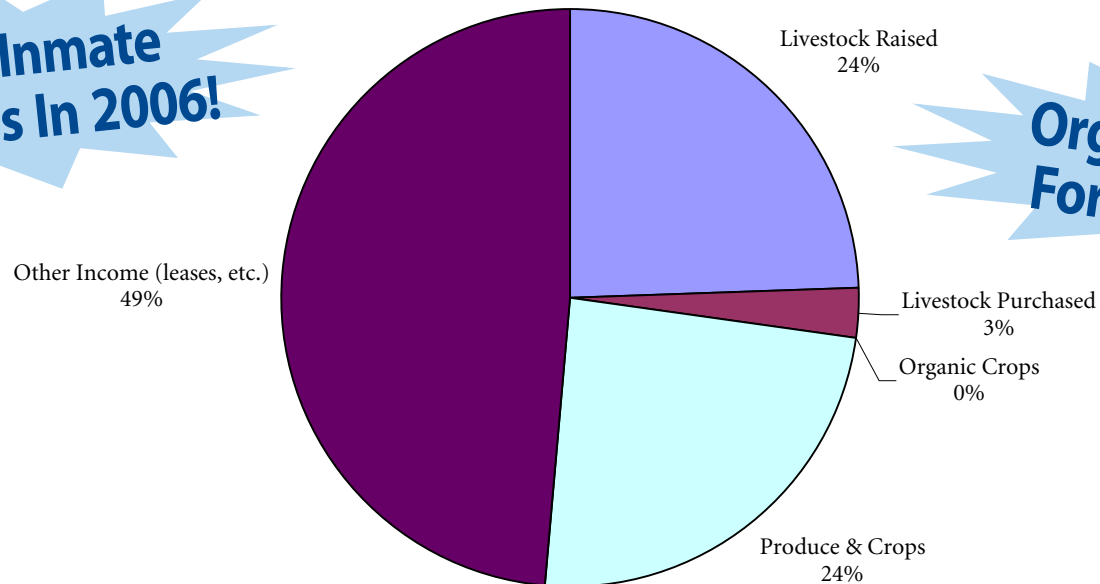
IPI Farms

Financial Data

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Farm Sales									
Sale of Livestock Raised	\$231,029	\$120,799	\$127,556	\$106,135	\$76,797	\$176,662	\$181,748	\$215,806	\$201,448
Sale of Livestock Purchased	\$22,612	\$200,596	\$195,575	\$209,629	\$273,268	\$211,877	\$33,513	\$24,160	\$22,789
Sale of Organic Crops									\$581
Sale of Produce & Crops	\$190,524	\$127,191	\$96,305	\$155,669	\$157,797	\$138,973	\$180,427	\$193,043	\$199,819
Other Income (Leases, etc.)	\$257,240	\$323,458	\$370,470	\$392,952	\$366,029	\$412,311	\$388,409	\$372,637	\$402,298
Total All Farms	\$701,405	\$772,044	\$789,906	\$864,385	\$873,891	\$939,823	\$784,097	\$805,646	\$822,935
Profit/Loss	\$(103,160)	\$162,624	\$211,400	\$134,750	\$161,075	\$(4,337)	\$123,643	\$80,287	\$119,797

IPI Farms operate on a calendar year.

**262,136 Inmate
Work Hours In 2006!**



**Organic Crops:
Fort Madison!**

Thanks to sound legislation, Iowa Prison Farms should be successful for years to come without financial assistance.

Iowa Crop Prices

Year	-----Dollars Per Bushel-----				-----Dollars Per Ton-----		
	Corn	Oats	Soybeans	Wheat	All Hay	Alfalfa	Other Hay
1986	1.41	1.17	4.73	2.30	\$40.50	*	*
1987	1.89	1.68	5.97	2.75	\$43.00	*	*
1988	2.45	2.85	7.33	3.82	\$75.00	*	*
1989	2.29	1.51	5.62	3.80	\$80.50	\$84.00	\$63.00
1990	2.21	1.14	5.63	2.74	\$63.50	\$66.00	\$49.50
1991	2.30	1.23	5.51	2.40	\$62.00	\$63.50	\$47.00
1992	2.00	1.38	5.54	3.05	\$78.00	\$81.00	\$57.00
1993	2.44	1.45	6.34	2.00	\$90.50	\$94.50	\$65.50
1994	2.22	1.30	5.43	3.15	\$79.00	\$82.00	\$56.50
1995	3.20	1.76	6.65	4.05	\$81.00	\$84.50	\$58.50
1996	2.60	2.16	7.36	4.10	\$106.00	\$108.00	\$72.50
1997	2.33	1.63	6.33	3.16	\$109.00	\$112.00	\$74.00
1998	1.86	1.24	4.79	2.73	\$83.50	\$85.00	\$60.50
1999	1.72	1.12	4.53	2.38	\$74.50	\$75.50	\$55.00
2000	1.75	1.19	4.49	2.15	\$82.00	\$83.50	\$59.00
2001	1.90	1.54	4.35	2.50	\$89.50	\$91.00	\$63.00
2002	2.22	1.78	5.54	2.85	\$82.00	\$85.00	\$58.50
2003	2.37	1.54	7.70	2.85	\$79.50	\$82.00	\$59.50
2004	1.99	1.49	5.76	3.05	\$83.00	\$85.50	\$59.50
2005	1.85	1.70	5.45	3.10	\$78.00	\$80.50	\$55.50
2006	3.03	1.94	6.58	3.35	\$86.50	\$88.00	\$65.00

- DOC Farms, for the first time, may be eligible under the new farm bill, thanks to the Department of Management and the Governor's Office.

*Prices from Iowa Ag Statistics

MISSION STATEMENT



To employ staff and inmates
who are dedicated to providing:

Exceptional Service

Reasonable Prices

Quality Products

It is this commitment to excellence that will allow our business to remain self-funding, achieve growth, provide more jobs for inmates and staff and assume a national leadership role in correctional industries.

Vision

By ensuring our mission is achieved, we will have assisted the Department of Corrections in protecting the public, staff, and inmate safety through vital work programs that will ensure the offenders' chances of a successful return to society as tax-paying citizens upon their release.



Iowa Prison Industries

A Division of The Department of Corrections
510 E 12th Street
Des Moines, IA 50319
800-670-4537 • www.iaprisonind.com

Printed By Female Offenders At
The Iowa Correctional Institute For
Women At A Cost Of \$5.53 Each.