

Building Bridges To Success



Annual Report
2008-2009

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



2008 Annual Conference
March 14, 2008 • University of Iowa

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 2009. 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.

Although 2008 was the best year in IPI's history, we continue to have frustrations revolving around agencies not following the code, and the legislature's lack of will to enforce the code.

Two significant events occurred this year that will influence IPI for years to come. First, we are breaking the bonds of rent. We will move into our new sales office and showroom at no cost to the General Fund. Second is our new jail cell program; steel cells are the cells of the future.

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.

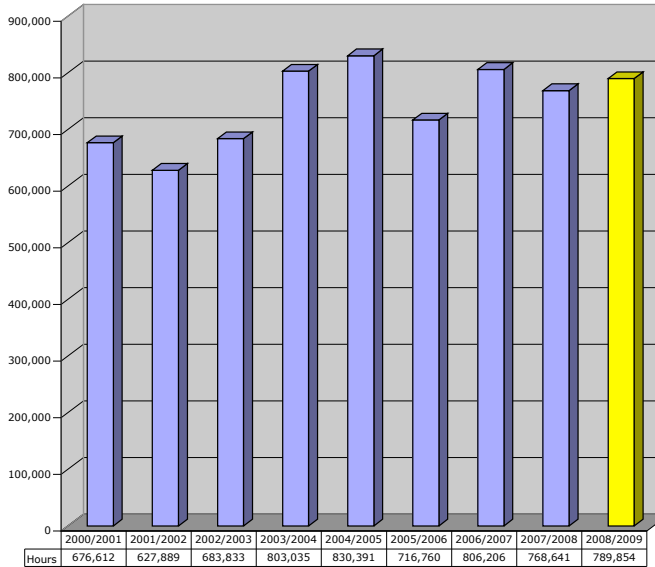
Sincerely,



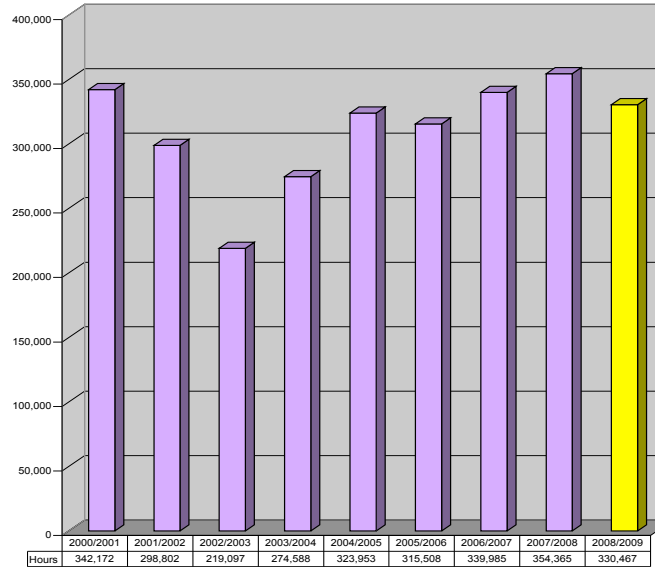
Roger L. Baysden

Inmate Work History

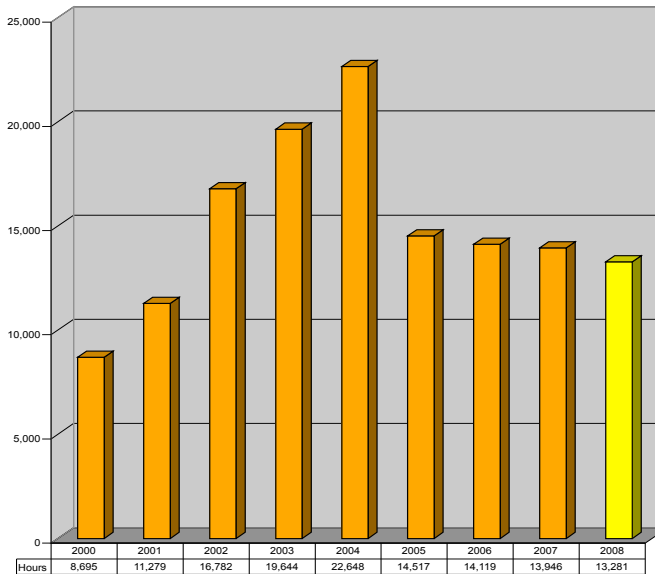
Traditional Industries Hours



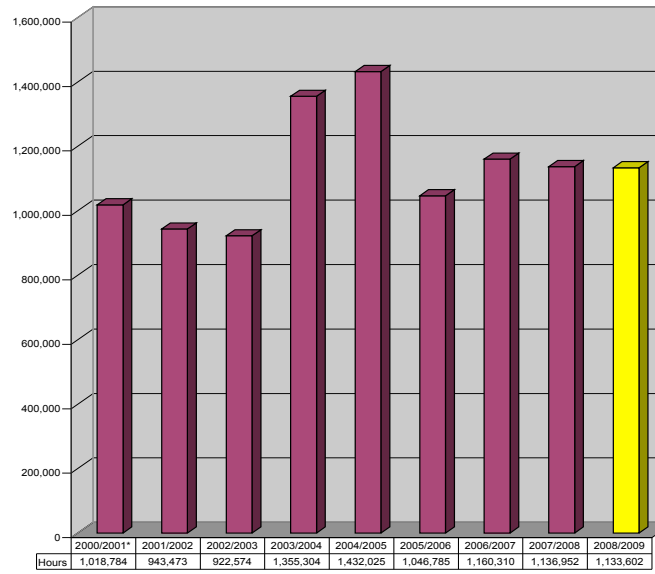
Private Sector Hours



Farms Hours



Total IPI Inmate Hours



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 FY2009. 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 98.4% "Excellent" or "Good" rating on Service, Quality and Pricing with 96.4% of customers saying they would recommend IPI to others.

Inmate Wage Scale:

\$.50 for unskilled workers up to \$1.10 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



Graphic Arts, Anamosa

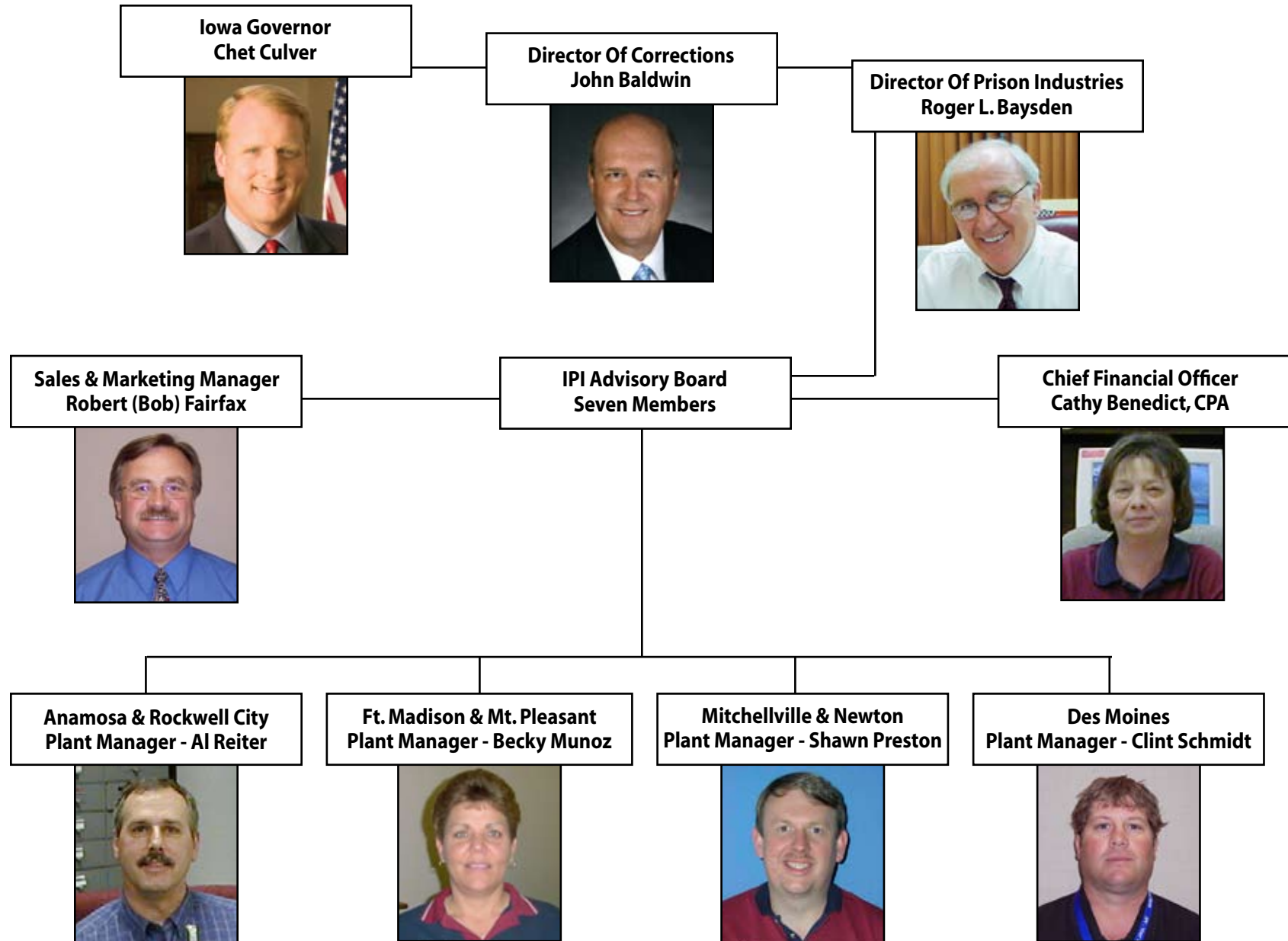


Textiles Operation, Mitchellville



Office Furniture, Madison County Courthouse

Who We Are



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)	2013
Dr. A. Douglas Hillman	Financial Representative (Drake University)	2011
Elizabeth Robinson	Parole Board Representative	2012
Michael Peters (Chair)	Voc-Tech Education Representative (Former State Representative)	2011
Mildred Slater	AFL/CIO-Labor Representative	2013

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 hold their quarterly meeting at the Fort Madison Plant. Pictured from left to right: Midge Slater, Maria Contreras, Roger Baysden, Michael Peters, Dr. Doug Hillman and Cathy Benedict.

Charitable Donations

As inmate doll makers do time, they do good

Women who sew doll clothing give kids a happy Christmas



Jennifer Moore, an inmate at the women's prison in Mitchellville, fits a hat on a doll that will end up under a Christmas tree for a needy child in Iowa. The women volunteer to sew clothing for dolls that are donated to churches, family shelters and other places that help disadvantaged children.

By WILLIAM PETROSKI
bpetroski@dmreg.com

Mitchellville, Ia. — It's busy inside Santa's workshop.

About 10 women are working toward a holiday deadline, cutting fabric and sewing a total of 500 cuddly rag dolls that will soon be placed under Christmas trees for needy Iowa children.

This branch of Santa's workshop is at the Iowa Correctional Institution for Women at Mitchell-

ville. The state prison facility is surrounded by a tall metal fence topped with razor wire that is regularly patrolled by correctional officers.

Inmates working here for Iowa Prison Industries normally spend their days doing upholstery work and making blue denim pants, providing computer-imaging services and performing other chores. But during their spare time, some are volunteering for a labor of love to make rag dolls for this Christmas season from scrap

DOLLS, PAGE 4B

DOLLS

FROM PAGE 1B

materials.

"This is wonderful. It feels good to be able to do something and to know that other people will find joy out of it," said Devon Perkins, 29, of Iowa City, who is serving time for second-degree robbery. She had never operated a sewing machine before entering prison; now she is a lead seamstress at Mitchellville.

Staci Boerjan, 32, of Mason City was convicted of intent to deliver methamphetamine. She had been a certified trainer for restaurant servers in the past. Now she deftly uses scissors to cut colorful fabric for dresses and bonnets that will adorn the dolls.

"Knowing that you will put a smile on some child's face is great. They will have this to hang onto, and it will give them a little comfort," Boerjan said.

The rag doll charity proj-



Angela Socarras sews the hat down on a doll while other inmates perform other doll-clothing tasks at the prison in Mitchellville. The rag doll charity project began last Christmas season, and 250 dolls were donated. This year there will be 500 of them.

ect was started last Christmas season by Roger Baysden, director of Iowa Prison Industries, which employs inmates in manufacturing, farming and private sector work programs. The bod-

ies for the dolls are made by male inmates at the Iowa State Penitentiary at Fort Madison. The doll clothing is sewn at Mitchellville.

The inmates last year made 250 rag dolls that

were donated to churches, family shelters and other places that help disadvantaged children. The production is increasing to 500 dolls this Christmas, and Baysden hopes the inmates will make 1,000 for next year's holiday season.

No taxpayer money is spent on the dolls. They are made entirely from fabric scraps remaining from upholstery work and blue jean manufacturing, as well as leftover mattress stuffing, said Shawn Preston, Mitchellville's Prison

Industries manager. The faces are printed on the dolls using prison equipment.

There are multiple benefits from the program, said Betty Brown, administrator of victim and restorative justice programs for the Iowa Department of Corrections. Everyone who goes to prison has a victim — even if it is only the inmate's family that suffers. By making rag dolls for needy children at Christmas, the inmates learn to develop empathy and compassion for others, she explained.

"They are giving back to the community, and it feels really good not to be so selfish," Brown said.

This will be the first Christmas in Iowa's prison system for Jennifer Moore, 19, of Burlington, who has served four months behind bars for a burglary conviction. She said it will be tough being away from her family, and she isn't quite sure how to deal with it.

But having a job in Iowa Prison Industries and working on the dolls keeps her busy and helps her to forget about her circumstances.

Moore said she feels good about helping make the dolls and making at least one child's life a little better at Christmas.

"I like this a lot. I mean, if I was a kid, I would be very grateful," she said.

Appeared In
Over 50 Midwest
Newspapers!

— Charitable Donations —

**Over \$150,000
In Donations!**

IPI Donation Projects 2008:

Anamosa

- City of Parkersburg Iowa for street signage caused by tornado (\$3,497.10)
- Fire Ring for Special Olympics (\$116)
- Eagle Intarsia for benefit for paralyzed accident victim Dave Hecht (\$64)
- Cleaning supplies for ASP staff person affected by flood (\$25)
- Flag Intarsia to Iowa Library Association (\$40)
- Eagle Intarsia to 6th Judicial District for Coaches for Kids Fundraiser (\$64)
- IPI staff has been big supporters of various work activities like the Thanksgiving meal collection for needy families, donations to the local Food Banks.

Des Moines

- Various novelty items for fund raisers: Badger Fire Department, Toys for Tots, Red Cross, Susan B. Komen Cancer Fund, Animal Rescue League, Boy Scouts of Iowa
 - \$300 cash donation to Food Pantry of Iowa from sales of novelty planes, trains, and dolls.
 - Approximately 400 computers to low income families
 - 10 computers to the Youth shelter of North Central Iowa
 - 20-30 computers to Inmate Education programs (Anamosa-MT Pleasant)
 - 1200 sets of shirts, slacks, and jackets to Amazing Grace for the homeless.
 - Approximately 80-90 pallets of bottled water, Advil, children vitamins, adult vitamins and cleaning supplies to churches, homeless shelters, low income child day care, Special Olympics, low income medical centers, YMCA, YWCA, Primary Health Care Clinics, Community Access Pharmacy, Family Violence Centers, Central Iowa Shelter and Services, Bethel Mission, St. Joseph Shelter, Iowa Homeless Youth, Youth Emergency Shelter and Services, House of Mercy, Eyerly Ball – Behavioral Health Resources.
- *Computers (approximately \$50 each)

Ft. Madison

- 270 dolls for Christmas (Fort Madison and Mitchellville jointly) (\$2,025)
- U of I Children's Hospital: 22-wood pickup trucks, 6-wood semi-trucks, 23-wood cars, 10-dolls (\$400)
- Lee County Tri-State Collation (Domestic Violence Shelter): 1-large rocking horse, 2-small rocking horses, 1-cradle, 9-dolls, 12-children sweatshirts, 12-stocking caps (\$500)
- VISTA: 225 embroidered chambray shirts for the volunteers, 540 pairs of socks (\$4,001)
- Numerous briefcases to various people and organizations (\$25 each)
- 100 hot pink tote bags for Artful Dodger project 2008 (\$175)
- Women's Correctional Conference: custom nightstand, embroidered briefcases (\$713)
- 40 arm bands for IDOC Emergency Preparedness (\$600)
- Door for Jan Cordeman (\$100)
- Iowa Vet's Cemetery: cremation wooden box, table cover, chair covers (\$300)

Mitchellville

- Dolls (200 offender hours)
- 15 chairs reupholstered for ISP Conference Room (\$1,500)
- 50 flag/flag boxes for the Governor (\$500)
- Framing jobs and flyers for Women Working in Corrections (\$2,500)
- Special Olympic frame jobs, Chris Wetzel and Monica Reynolds (\$350)
- Couch to ICIW Prototype (\$500)
- Des Moines Public Schools – “Green” dispenser and product (\$300)
- AFSCME – work surfaces re-laminated (\$200)

Newton

- Christmas Bags - To all 9,000 inmates in the State of Iowa (\$3,965)
- Cookies - picked up and delivered (5 hours of staff time and \$100 in fuel cost)
- Ankeny Warehouse - We loaded out 4-5 trailers (15-20 hours, \$250-\$300 in fuel cost)



*Dorm Furniture Operation,
Mount Pleasant*



Furniture Operation, Fort Madison



Library Furniture, Central Lutheran School



Central Canteen, Newton



Office Furniture, Friendship Baptist Church



Metal Furniture Operation, Rockwell City

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 81 staff workers in various capacities of inmate management.

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



Move & Install Operation, Des Moines



Federal Surplus Operation, Des Moines



Cabinetry, Sixth Judicial District

New IPI Showroom

Constructed at no cost to the taxpayers of the State of Iowa!



Photos continued on page 28.

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 1.1 million hours of tax-free inmate training in FY2009.
- Iowa Prison Industries provides nearly 600 inmate jobs per day and in FY2009 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 \$16 million in raw materials, supplies & services in FY2009.

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 Customers:

- 98.4% of Iowa Prison Industries' customers rated IPI an EXCELLENT or GOOD supplier in FY2009 and 96.4% 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! 98.4% of our customers rated us EXCELLENT or GOOD in FY2009!

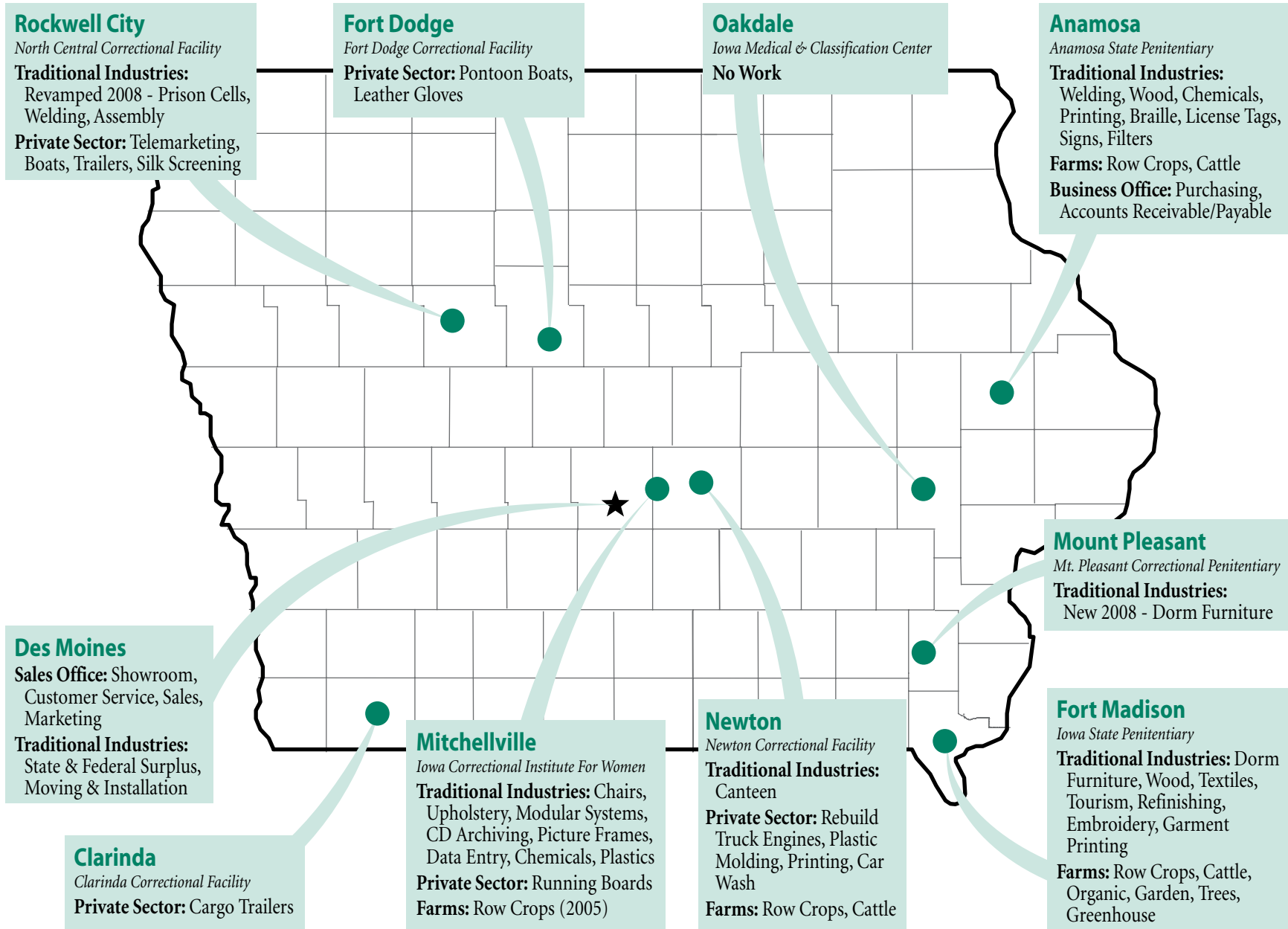
Benefits To Offenders:

- 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 FY2009

	----- SALES -----		----- CHANGE -----			----- SALES -----		----- CHANGE -----	
	FY2009	FY2008	\$	%		FY2009	FY2008	\$	%
ANAMOSA					MITCHELLVILLE				
License Plates	\$987,786	\$1,011,858	(24,027)	(2.4)%	Panels & Seating	1,198,374	2,303,471	(1,105,097)	(48.0)%
Sign	2,908,437	2,453,038	455,400	18.6%	Printing	0	244,785	(244,784)	(100.0)%
Graphic Arts	905,979	780,329	125,650	16.1%	CD Rom	193,333	181,334	11,998	6.6%
Housekeeping/Laundry	867,636	1,370,746	(503,111)	(36.7)%	Housekeeping/Chemical	777,438	107,143	670,295	625.6%
Filters	248,142	151,982	96,159	63.3%	Textiles	249,314	53,298	196,016	367.8%
Metal Furniture	2,389,881	2,428,252	(38,371)	(1.6)%	Plastics	1,050,998	914,394	136,604	14.9%
Custom Wood	665,453	466,634	198,819	42.6%	MITCHELLVILLE TOTAL	3,469,457	2,735,846	(334,969)	(8.8)%
Braille	304,798	229,637	75,161	32.7%	DES MOINES				
ANAMOSA TOTAL	9,278,112	8,892,477	385,635	4.3%	State Surplus	103,367	217,369	(114,002)	(52.4)%
FT MADISON					Federal Surplus Property	75,946	80,060	(4,114)	(5.1)%
Furniture	2,060,547	1,740,109	320,438	18.4%	Moving & Installation	398,069	295,397	102,672	34.8%
Recycled Wood	6,584	7,986	(1,402)	(17.6)%	DES MOINES TOTAL	577,381	592,826	(15,445)	(2.6)%
Textile	1,133,261	783,747	349,515	44.6%	CANTEEN				
Tourism/Call Center	283,713	187,056	96,657	51.7%		4,724,370	4,811,360	(86,990)	(1.8)%
FT MADISON TOTAL	3,484,105	2,718,898	765,207	28.1%					

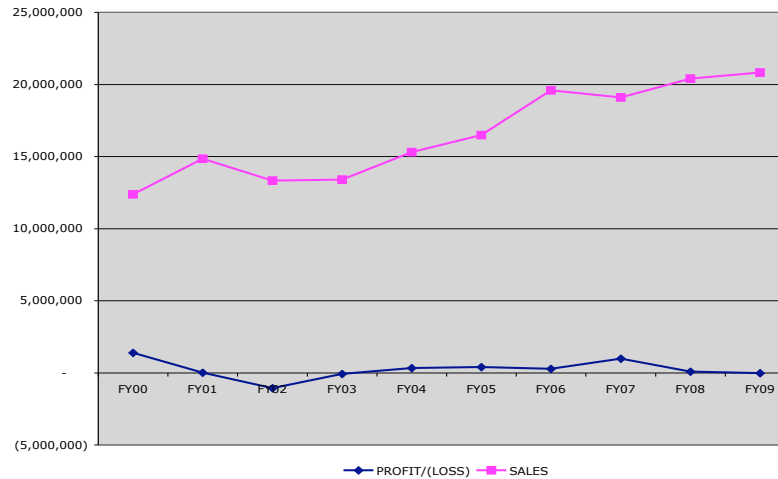
	----- SALES -----		----- CHANGE -----	
	FY2009	FY2008	\$	%
TOTAL	21,533,426	20,819,986	713,440	3.4

IPI Supports The Local Economy: IPI Purchased Over \$16 Million in Raw Materials, Supplies & Services In FY2009

Financial Data

10 Year Sales & Profit Trends FY2000 - FY2009

	PROFIT	SALES
FY09	(23,921)	21,533,426
FY08	73,126	20,819,986
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



- 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 2009, IPI rebated \$573,016 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.

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

Financial Data

Top 50 Customers

FY2000		DOLLARS	FY2009		DOLLARS
VOLUNTARY PURCHASERS			VOLUNTARY PURCHASERS		
1	IOWA STATE UNIVERSITY	\$ 1,650,764	1	UNIVERSITY OF IOWA	\$ 1,189,553
2	VARIOUS SURPLUS DEPT.	\$ 169,758	2	IOWA STATE UNIVERSITY	\$ 931,218
3	UNIVERSITY OF IOWA	\$ 103,448	3	DES MOINES PUBLIC SCHOOL	\$ 603,475
4	LINN CO. ENGINEER	\$ 69,989	4	UNIVERSITY NORTHERN IA PURCH	\$ 419,665
5	DAVENPORT SCHOOL ADMIN.	\$ 49,765	5	CLEAR CREEK AMANA CMMTY SCHO	\$ 113,816
6	GRINNELL COLLEGE	\$ 48,912	6	NORTH CAROLINA DEPT OF	\$ 109,489
7	COURT ADMIN. / WATERLOO	\$ 46,043	7	KIRKWOOD CMMTY COLLEGE	\$ 106,544
8	MT. PLEASANT COMM. SCHOOL	\$ 44,134	8	UNIVERSITY OF ARKANSAS	\$ 73,498
9	DES MOINES IND COMM. SCHOOL	\$ 43,029	9	IOWA WESTERN CMMTY COLLEGE	\$ 72,554
			10	WATERLOO CMMTY SCHOOL	\$ 69,215
			11	AQUIN ELEMENTARY SCHOOL	\$ 68,246
			12	VARIOUS SURPLUS CUSTOM (REGTX)	\$ 66,412
AGENCY PURCHASERS			AGENCY PURCHASERS		
10	DOT - DES MOINES	\$ 1,189,582	13	JONES CO ENG	\$ 64,920
11	DOT - AMES	\$ 919,749	14	CEDAR RAPIDS CMMTY SCHOOL	\$ 60,198
12	HUMAN SERVICES DEPT.	\$ 745,970	15	ACCTG & FINANCIAL MGMT SERV	\$ 58,500
13	ECONOMIC DEV. DEPT	\$ 718,084	16	IOWA CITY CMMTY SCHOOL	\$ 54,069
14	FT. DODGE CORR. FACILITY	\$ 467,205	17	MARSHALLTOWN CMMTY SCHOOL	\$ 53,897
15	ICIW - MITCHELLVILLE	\$ 318,631	18	WOODBURY CO ENG	\$ 52,704
16	NEWTON CORR. FACILITY	\$ 299,802	19	WAPELLO CO ENG	\$ 52,663
17	MT. PLEASANT CORR. FACILITY	\$ 284,891	20	WEST DES MOINES CMMTY SCHOOL	\$ 51,419
18	ANAMOSA STATE PENITENTIARY	\$ 273,962			
19	IOWA STATE PENITENTIARY	\$ 263,457			
20	GLENWOOD STATE HOSPITAL	\$ 199,935			
21	CLARINDA CORR. FACILITY	\$ 179,488			
22	DHS REGION 5	\$ 160,578	21	DOT DES MOINES VEHICLE REG	\$ 987,869
23	NATURAL RESOURCES/DM	\$ 149,503	22	IOWA STATE PENITENTIARY	\$ 555,887
24	EDUCATION DEPT	\$ 139,946	23	ECONOMIC DEVELOPMENT DEPT OF	\$ 548,890
25	CENTRALIZED PRINTING	\$ 135,037	24	ANAMOSA ST PENITENTIARY	\$ 413,549
26	STATE VEHICLE DISPATCH	\$ 134,430	25	DOT AMES	\$ 410,054
27	HUMAN RIGHTS DEPT.	\$ 129,933	26	GLENWOOD RESOURCE CTR #91	\$ 402,284
28	DHS REGION 3	\$ 124,586	27	IOWA MEDICAL CLASS CENTER	\$ 341,012
29	BOARD OF MEDICAL EXAMINERS	\$ 117,616	28	MT PLEASANT CORR FAC	\$ 312,459
30	IMCC - OAKDALE	\$ 111,280	29	FORT DODGE CORR FACILITY	\$ 301,397
31	CORRECTIONS DEPT.	\$ 101,571	30	CLARINDA CORRECTIONAL FACILITY	\$ 289,846
32	GENERAL SERVICES DEPT.	\$ 100,847	31	NEWTON CORRECTIONAL FAC	\$ 275,095
33	HUMAN SERVICES DEPT.	\$ 89,756	32	BLIND DEPT FOR THE	\$ 237,009
34	REVENUE DEPT	\$ 89,223	33	ADMINISTRATIVE SERV DEPT OF	\$ 225,948
35	IOWA VETERANS HOME	\$ 88,027	34	SIXTH JUDICIAL DIST	\$ 192,349
36	DHS REGION 1	\$ 86,427	35	DHS FISCAL MGMT	\$ 183,739
37	DHS REGION 2	\$ 85,463	36	WOODWARD RESOURCE CENTER	\$ 182,411
38	IOWA WORKFORCE DEV.	\$ 80,941	37	IOWA CRRCTNL INST WOMEN	\$ 157,544
39	NORTH CENTRAL CORR. FACILITY	\$ 73,966	38	IOWA VETERANS HOME	\$ 116,822
40	CIVIL RIGHTS COMM.	\$ 72,182	39	NATURAL RESOURCE DES MOINES	\$ 114,517
41	PHARMACY EXAMINER BRD	\$ 70,573	40	IOWA WORKFORCE DEV	\$ 114,071
42	DHS REGION 4	\$ 68,533	41	COLLEGE AID COMM	\$ 92,451
43	THIRD JUDICIAL DISTRICT	\$ 62,020	42	STATE TRAIN SCHOOL FOR BOYS	\$ 79,193
44	CLARINDA YOUTH CORP.	\$ 61,360	43	INSPECTION & APPEAL DEPT	\$ 71,531
45	WOODWARD RESOURCE CENTER	\$ 61,029	44	ECONOMIC DEV DEPT OF	\$ 64,014
46	DENTAL EXAMINER BRD	\$ 58,882	45	DHS SERVICE AREA 6	\$ 62,222
47	VOCATIONAL REHABILITATION	\$ 55,583	46	DHS SERVICE AREA 6	\$ 61,454
48	HEALTH DEPT.	\$ 53,368	47	IOWA JUVENILE HOME	\$ 61,044
49	PERSONNEL DEPT	\$ 43,319	48	PUBLIC HEALTH PLAN & ADM	\$ 54,573
50	MHI / MT PLEASANT	\$ 42,674	49	REVENUE DEPT OF	\$ 53,571
			50	VOCATIONAL REHABILITATION	\$ 52,214
	TOTAL	\$ 10,735,251		TOTAL	\$ 11,287,072

- In FY2000, only 9 of IPI's top 50 customers were volunteer purchasers.
- In FY2009, 20 of IPI's top 50 customers were volunteer purchasers.

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

*Excludes Canteen & Interdepartmental Sales

Satisfied Customers

Customer Testimonials



Iowa State University: Desk Chair Restoration

“Just want to let you know that the service we are given on the repair of the desk chairs is great. With the 50% savings compared to buying new and the chairs look as new also. This lessens items going to the landfill, keeps inmates working / teaches a skill and saves the taxpayers / ISU money.”

– Roger Sebring, Dept. of Residence - July 2009

Printed T-Shirts

“We got our RAGBRAI shirts and we LOVE them...”

– Barb Palar, Employee of Dept of Human Services - June 2009



Humboldt County

Treasurer’s Office: License Plates

“Thanks for the great service on the phone requesting old plates to be picked up, and [the driver] was very efficient and friendly bringing out new plates to us!”

– Kerry Anderson, Motor Vehicle Deputy - May 2009

Shell Rock Public Library: Library Furniture

“We have always been very satisfied with the tables and chairs we’ve purchased!”

– Diane Harms, Library Director - April 2009

Dept of Economic Development: Modular Office Installation

“Terrific job - We appreciate the effort that was made to get everything here and installed on such short notice.”

– Jean Fegan, Accountant - March 2009

Kellogg Historical Society: Printing

“We are pleased with the quality of our printed newsletter and your friendly staff.”

– Mary Parson, Secretary - March 2009

Delaware County Attorney: Custom Wood Office Furniture

“The desk is beautiful and well constructed!”

– Office Staff - June 2009

State Treasurer’s Office: Metal Shelving

“Very good experience. From sales, invoicing, delivery & product - All very helpful.”

– Kathryn Fehring - June 2009

Chair Reupholstery

“The craftsmanship was amazing. The final work showed a lot of pride.”

– Robert & Sally Wilkerson - December 2008

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 companies and jobs have felt the impact of a downward directional economy. In 2009, Iowa has experienced the sharpest decline in private sector jobs since the inception of the self-funding program in 1992. In spite of the loss of inmate jobs, the program has worked as intended. Federal Law requires that offenders be the first to be displaced. When the economy returns to a robust growth, so will the private sector jobs. The unfortunate impact has resulted in lower restitution, child support and room and board payments.

**Private Sector provided
330,467 hours of inmate
contact in FY2009.**

Quick Facts:

- Over 150 inmates work in private sector.
- Private Employers may employ inmates in Iowa.
- Private Employers must pay prevailing wages. Inmates earn \$7.50 to \$12.64 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 23 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 \$4.9 million in TAXES.
- Private Sector inmates have paid over \$2.4 million in restitution.
- Private Sector inmates have paid over \$1.4 million in Victims Comp.
- Private Sector inmates have paid back to the General Fund over \$9 million.
- 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 2009 than all of the Iowa inmates combined earned in 1997!

Private Sector

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

**Iowa Outperforms
The Nation!**

	Since Inception Iowa Inmates Have Paid	% Of Wages Earned	Nationally Iowa Ranks
Inmate Population			37th
Total Wages Earned	\$25,871,375.77		7th
Wage Redistribution			
Victims Programs	\$2,859,937.00	11.1%	5th
Room & Board	\$9,441,804.91	36.5%	6th
Family Support	\$2,369,822.62	9.2%	4th
Taxes Paid	\$5,219,012.41	20.2%	6th
Mandatory Savings	\$2,470,425.26	9.5%	3rd
Inmate Share	\$5,161,989.68	19.9%	11th

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.**

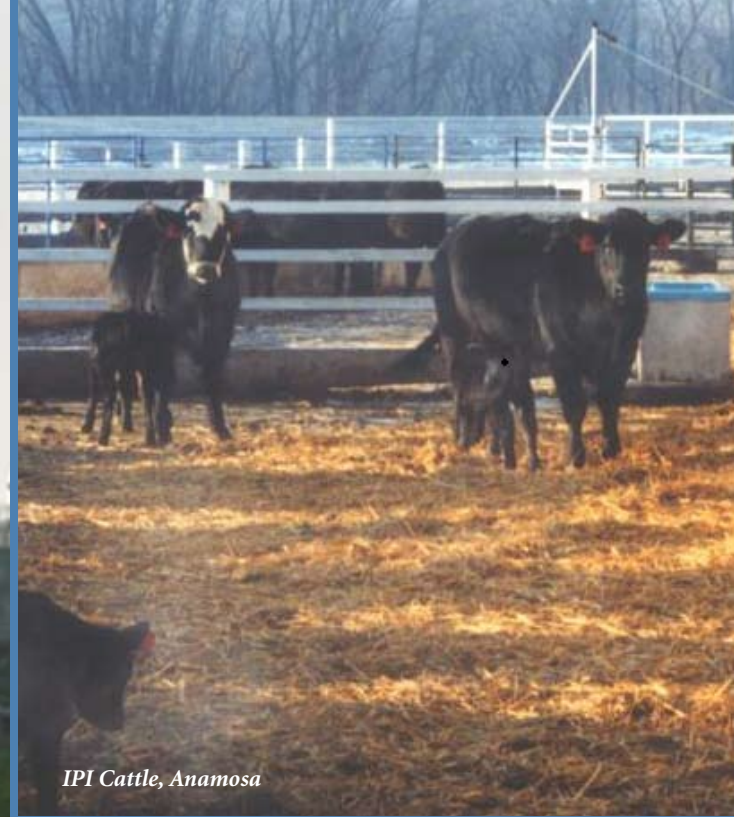
- b. From the inmate's gross payroll earnings, the following amounts shall be deducted:
 - (1) Twenty percent, to be deposited in the inmate's general account.
 - (2) All required tax deductions, to be collected by the inmate's employer.
 - (3) Five percent, to be deducted for the victim compensation 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.

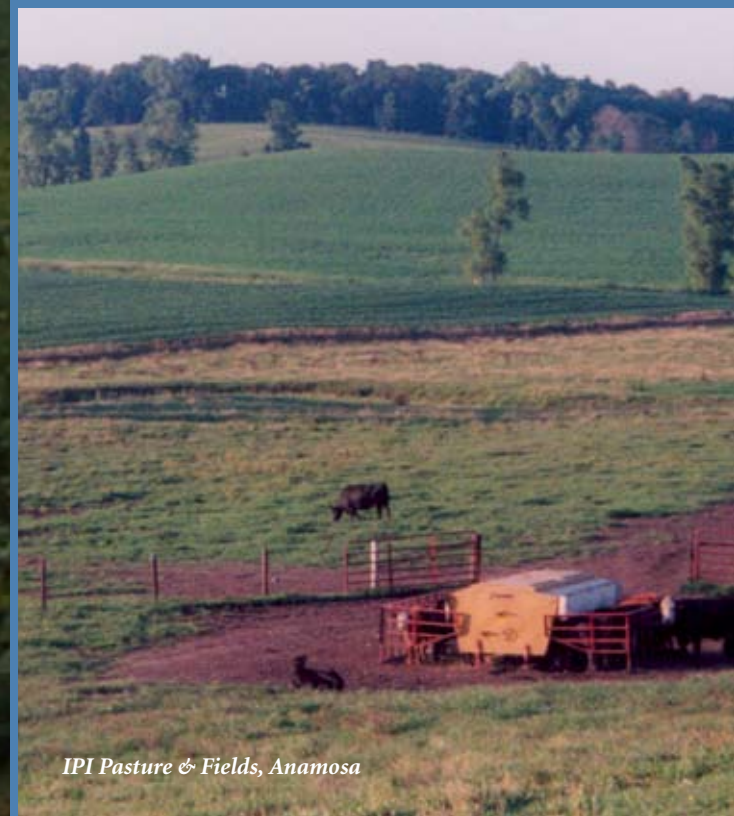
The inmate's employer shall provide each employed inmate with the withholding statement required under section 422.16, and any other employment information necessary for the receipt of the remainder of an inmate's payroll earnings.



IPI Cornfield & Buildings, Newton



IPI Cattle, Anamosa



IPI Pasture & Fields, Anamosa

IPI Farms

IPI Farms are 100% Self Funding. We operate from a revolving fund, and we manage our business much like any main-street business.

- We Pay Property Tax.
- We Pay Salaries.
- We Purchase Equipment and Buildings.
- We Pay All Operating Expenses.

IPI Farms has been the pride of Industries. Our farm staff, lead by Bill Gehl since 1998, has been nothing but specatcular. For those who were around in 1996, they will remember the Legislature was threatening to sell the farms because of lack of leadership and the poor condition of the farms.

Because of Bill's leadership and commitment to the land, IPI Farms are a showcase for all state properties to be measured against. Bill is drawing to the end of his working career, and it is fitting that he be given the credit he so justly deserves.

Since 1996, the Legislature has seen fit to donate or transfer 957.9 acres of land, all resulting in a loss of income and work for IPI Farms.

IPI Farms, because of the loss of land, may have passed the point of no return to self dependence and should be either allowed to proceed with its current ground intact, or they should be sold in their entirety. We can no longer prosper with the continued loss of revenue due to land donation and/or transfer to other agencies.

IPI FARMS - LOST LAND

Location	Project	Acres	Type
Fort Madison	Economic Dev Land Exchange	11	Donation
Fort Madison	Gardens	25	Transfer
Fort Madison	Landfill	10	Donation
Glenwood	Renaissance Project	410	Donation
Glenwood	DNR Archeological Preservation	353	Transfer
Mitchellville	Prison Expansion	15	Transfer
Newton	Prison Expansion	50.2	Transfer
Newton	Garden	15.7	Transfer
Newton	Horses	27.3	Donation
Rockwell City	Garden & Prison Expansion	8.5	Transfer
Woodward	Lagoon	22.2	Transfer



Farm Manager Bill Gehl and Bandit are shown working calves at the Anamosa Farm.

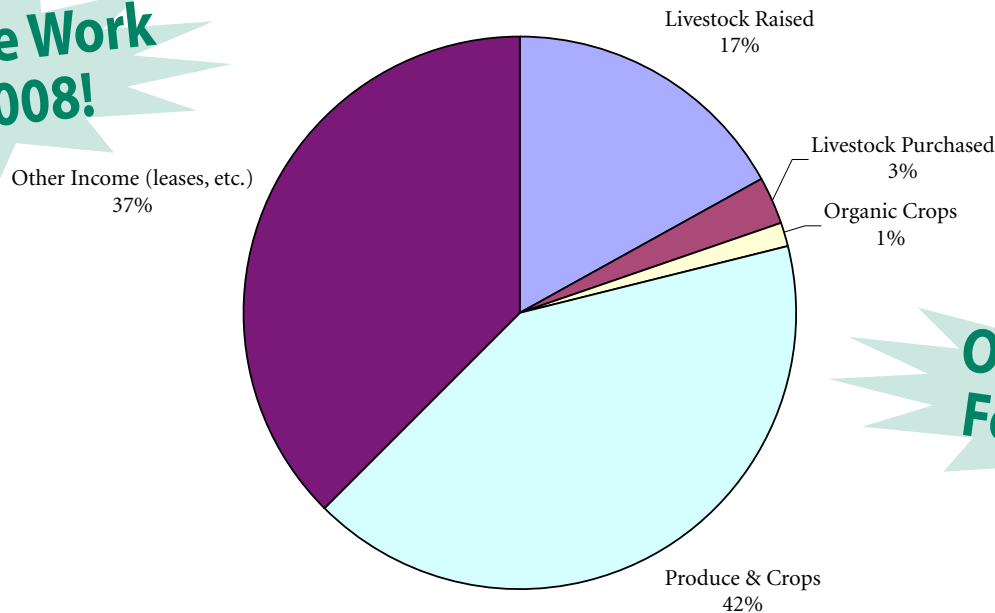
IPI Farms

Financial Data

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Farm Sales										
Sale of Livestock Raised	\$120,799	\$127,556	\$106,135	\$76,797	\$176,662	\$181,748	\$215,806	\$201,448	\$210,622	\$198,236
Sale of Livestock Purchased	\$200,596	\$195,575	\$209,629	\$273,268	\$211,877	\$33,513	\$24,160	\$22,789	\$19,412	\$30,925
Sale of Organic Crops								\$581	\$3,313	\$17,457
Sale of Produce & Crops	\$127,191	\$96,305	\$155,669	\$157,797	\$138,973	\$180,427	\$193,043	\$199,819	\$290,407	\$481,816
Other Income (Leases, etc.)	\$323,458	\$370,470	\$392,952	\$366,029	\$412,311	\$388,409	\$372,637	\$402,298	\$391,277	\$436,651
Total All Farms	\$772,044	\$789,906	\$864,385	\$873,891	\$939,823	\$784,097	\$805,646	\$822,935	\$915,031	\$1,164,995
Profit/Loss	\$162,624	\$211,400	\$134,750	\$161,075	\$(4,337)	\$123,643	\$80,287	\$119,797	\$219,589	\$20,559

IPI Farms operate on a calendar year.

13,281 Inmate Work Hours In 2008!



Organic Crops: Fort Madison!

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

New IPI Showroom

Dedicated to the citizens of Iowa on November 6, 2009.



IPI's first permanent home!

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 Institution For
Women At A Cost Of \$5.87 Each.