



IPI Newsletter

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June 2012

IPI Showroom Building Wins Design Awards

ASK Studio of Des Moines has now won two awards for the design of the IPI Showroom in Des Moines, which opened for business in November 2009.

Most recently, ASK Studio received a Merit Award from *Residential Architect Magazine* in the light commercial division of the 2012 Residential Architect Design Awards. It is one of 36 winners selected from a group of more than 800 entries. The building received the award for its beauty in simplicity.

ASK Studio received a 2011 AIA Iowa Excellence in Design Award of Merit from the American Institute of Architects, Iowa Chapter, last September. One juror stated, "A well considered building that

makes the most of its budget through clever detailing and use of standard metal buildings systems." ASK Studio received extra press for this award, as it was highlighted in the January 2012 issue of the *Iowa Architect* under the article "A Good Neighbor" for its respect for the neighborhood.

The IPI Showroom in Des Moines was built within a strict budget and without any taxpayer funds. Since opening, the Showroom is visited daily by customers

looking to purchase our products and services. With samples of the majority of our standard products plus a host of custom-designed pieces, the Showroom demonstrates IPI's diversity, flexibility and commitment to quality and service. Many visitors to the Showroom comment on how impressed they are with quality products that IPI's offenders manufacture.



Photo courtesy of Cameron Campbell / Integrated Studio

Cost-Benefit Analysis Shows IPI Has An Excellent ROI

BY DAN CLARK
IPI DIRECTOR



Recently, The Iowa Department of Corrections has measured the Return On Investment (ROI) to taxpayers from criminal justice programs utilized by the State of Iowa. Using the "Results First" model, a nationally recognized, peer-reviewed tool developed by the Washington State Institute for Public Policy, IDOC calculated the ROI for various Iowa adult offender programs, including Iowa Prison Industries.

Cost-benefit analysis allows policymakers to make informed decisions about the effectiveness of programs and policies, and to compare the monetary benefits of a program or policy against costs over a period of time. If the benefits outweigh the costs, a program or policy is considered cost-effective. The Results First model is capable of examining the effect

of reducing the average daily prison population and reinvesting the money saved into evidence-based criminal justice programming. The intent of the model is to allow policymakers to test different combinations of program and policy choices to make the best use of taxpayer dollars, while protecting or even improving public safety.

In the model, costs and benefits are estimated over a ten-year time period and expressed in constant 2011 dollars (i.e., life-cycle, present values). The cost data and benefit calculations are based on actual Iowa data.

Benefits include the state and local resources avoided as a result of a program that reduces future crime, such as arrest, prosecution, jail, and corrections supervision. They also include crime victim benefits that are the monetized value of avoided victimizations as a result of the program, for example medical and mental health care expenses, property damage and

losses, and reduction in future earnings incurred by crime victims.

Since IPI is self supporting and receives no government appropriation, there are no Program Costs. But the model showed that for 2011, the average benefit over 10 years per offender served by Iowa Prison Industries was \$2,908. During 2011, 1,400 offenders participated in one of the IPI work programs, meaning that the total benefit to taxpayers and victims was a whopping \$4.1 million!

The Iowa Department of Corrections is committed to evidence-based practices, and this report represents the first product of the Iowa Results First Model. The report was prepared by Lettie Prell, Director of Research, Iowa Department of Corrections and Sarah Wittig Galgano, research assistant. The complete report is available at <http://www.doc.state.ia.us/research.asp>.

Dan

Custom IPI Items on Display In The State Capitol

Iowa Prison Industries recently delivered new conference room furniture for the Governor's Office at the State Capitol. This working display is used daily by the Governor, Lt. Governor and their respective staff to conduct the business of Iowa for constituents across the State. Showcasing the quality products available from Iowa Prison Industries, the conference room features some new products from IPI and examples of our custom capabilities.

The conference table is made from sturdy red oak and features a laminate top for meeting durability trimmed in solid red oak. The reinforced supported top will provide years of service without any sway or warping. Stained to match

the wainscoting of the room, additional pieces included were two State Seals laser engraved in red oak and a custom coat tree as well. Seating included the new MXO conference chair from IPI, the newest innovation in conference room chairs out today.

Many thanks to Jake Ketzner and Becky Elming for helping coordinate this great opportunity to display and promote our products made right here in Iowa by our program. We are sure that everyone in



Left to Right: IPI Director Dan Clark, Governor Terry E. Branstad & Lt. Governor Kim Reynolds

the Governor's Office will get years of valuable service from this furniture, and be a tool to share the value of Iowa Prison Industries and how we benefit all Iowans.

IPI Showroom Welcomes Two Interns for the Coming Months

IPI welcomes two interns to the IPI Showroom for the summer months. Using interns to complete certain projects is a new venture for IPI under the direction of Director Dan Clark. As the interns have been a great addition to IPI thus far, we hope to continue utilizing interns in the future as needed.

Dan Neubauer is a recent graduate of ISU, with a Bachelors of Fine Arts in Furniture Design and Photography with a minor in Engineering Studies, and he currently is pursuing his Masters in Industrial Design. Dan is designing new furniture lines for Iowa Prison Industries. He is currently working on several lounge furniture designs as well as conference room furniture to be manufactured from recovered barn wood. He is also working with ISU Professor Chris Martin's



Dan Neubauer

Furniture Design class in creating a short run of pieces that the Iowa State Alumni Association has chosen to have IPI manufacture. The Sales Team and plants are excited to have Dan expand our existing lines with furniture designs that our customers are asking for. Dan is also showcasing his personal furniture designs at the Des Moines Arts Festival as an Emerging Iowa Artist.

Levi Ward is an upcoming graduate of ISU, gaining a Bachelors of Fine Arts in Graphic Design. He will have fulfilled the final degree requirements at the conclusion of his internship. Levi is excited to gain real-world design experience and about the products that IPI offers. He



Levi Ward

is currently updating various product catalogs and brochures, and has a busy upcoming schedule redesigning future

IPI has manufactured a variety of furniture to the Ronald McDonald House of Iowa City in recent months.



Left to Right: IPI Board Member Thomas Phillips, Executive Director of the Ronald McDonald House Charities of Eastern Iowa Kristin Roberts and IPI Director Dan Clark

newsletter layouts, annual reports, trade show graphics, showroom signage, and whatever else we can throw his way. The sales representatives look forward to having new and updated materials to show their customers.

Sales Report Card

YTD Customer Satisfaction Card Results

(July 1, 2011 through May 31, 2012)

	Excellent	Good	Below Average
Sales Representative Knowledge	88.5%	11.5%	0.0%
Timeliness of Delivery	76.3%	17.7%	6.0%
Delivery Service	84.3%	13.5%	2.2%
Quality of Goods	84.8%	13.5%	1.7%
Value for Money	81.4%	17.5%	1.2%
Question/Problems Handled Promptly	85.0%	14.1%	1.0%
Average	83.3%	14.7%	2.1%
	Yes	No	Maybe
Would you recommend us to others?	97.8%	0.0%	2.2%

Recent New Customer / New Project Orders

(For a complete list contact the Des Moines office)

Customer	Products.....	Sales
Borlaug Elementary	School Furniture.....	\$118,000
Mt. Vernon Schools.....	School Furniture.....	\$66,372
Vernon Middle School	School Furniture.....	\$56,554
Jackson Co Courthouse.....	Custom Wood Furniture	\$11,426
1st Presbyterian, Marshalltown.....	Pew Refurbishing.....	\$10,260
Waukee Econ Development.....	Furniture.....	\$4,675
Univ of Northern Iowa.....	Custom Cabinets	\$4,540
Page Co Clerk of Court	Furniture.....	\$4,365
MHI Independence.....	Laundry Chemicals.....	\$4,200
Dows Library.....	Library Furniture.....	\$3,475
Harrison Co Public Health.....	Furniture.....	\$2,000

FORT MADISON

Habitat For Humanity Program On Pace For Record Year

The HFH (Habitat for Humanity) integration into the Fort Madison IPI Operation is in its 8th month. IPI staff, offenders and HFH staff have worked together to make the transition as smooth as possible; we are full steam ahead.

May was an especially good month for the program. We have manufactured 188 cabinet pieces (10 sets), which makes it the 5th busiest month since the program originated in 2004 at the Iowa State Penitentiary. IPI has shipped a total of 545 cabinet pieces (31 sets) so far this year.

Currently, we have 14 orders in process, another 4 approved and waiting to begin, another 21 orders just waiting on final approval from HFH, and more orders are still coming in. We continue to work



Habitat for Humanity kitchen installation



An offender applies face frames to a cabinet base

together to keep the program at the high standards and provide Habitat for Humanity the best products available at reasonable prices. Our goal is to manufacture and complete two sets per week and so far, we have been up to the task.

We are on pace to have the best year yet for the Program and that is fantastic, not only for us, but for the families that Habitat For Humanity serves.

Fort Madison & Mt. Pleasant Production At Full Capacity

What a fantastic year for the Fort Madison/Mt. Pleasant operation; sales are up from last fiscal year and both operations are very busy working to meet our customer's needs with quality products. Fort Madison/Mt. Pleasant has several school and dormitory furniture orders to manufacture and install this summer along with all of the millwork

for the new prison at Fort Madison and the expansion of the Mitchellville prison.

Thanks to the continued support of our customers, Fort Madison has a very busy schedule this summer. The Fort Madison/Mt. Pleasant staff has stepped up to the plate and worked together as a team to meet our customers' deadlines. Great Job Team!

Large Summer Orders

- ISU 678 rooms
- U of I 822 dressers
- UNI . . 210 rooms + 110 extra pieces
- Iowa Western CC 114 pieces
- F.M. Middle School Millwork + Library furniture
- R. McD. House . . Bedroom furniture

Shop Spotlight: Warehouse

For the Anamosa plant, the warehouse is a major factor in our success. As we finish one of our busiest years ever, the staff and offenders at the warehouse complete the delivery of products to our customers. That last interaction with the customer on an order is important and critical to continuing a good relationship with them. Comments on the customer satisfaction cards reinforce the satisfaction they have with our delivery services and show the extra effort we give to ensure that they are satisfied with the experience.

We have some new faces at the warehouse since we last featured the Warehouse Division. Jamey Klostermann has worked as the Technician since Patty Gassmann retired in 2010. Transport Drivers are Mike Kuper, Fred (Gary) Schilling and Don Chapman. Routing the



Left To Right: Fred Schilling, Don Chapman, Wayne Schilling, Kim Zimmerman, Jamey Klostermann, and Mike Kuper

materials in and out is Wayne Schilling, who has been with IPI since 1991. Scott Cruise is also providing much needed help and supports as a Temporary Transport Driver. Kim Zimmerman supervises the Warehouse Division in addition to the Custom Wood Shop.

Every month approximately 1,000 orders are taken from the shops and routed for delivery in the most efficient

manner. It is not uncommon to see orders for license plates, signs, graphic arts, laundry soap, filters, custom wood and many other products made at IPI going out in a single load alongside things being dropped off for the prison at one of the other institutions.

Anamosa Welcomes New Staff Members

The Anamosa team would like to take this opportunity to welcome two new staff members to Iowa Prison Industries.

RD Oppelt joined IPI on May 25, working as a State Industries Technician. He will be initially working out of our Custom Wood department. RD and his wife Tara have one daughter. He fills the position previously held by Kent Ashline,



RD Oppelt

who was promoted to our Production Coordinator.

Jared Ash joined IPI in May, as a Technician in Metal Furniture. He and his wife Melissa have 2 children, Brooke, age 13 and Hunter, age 6. He fills the position previously held by Dave Schmidt, who was promoted to our Senior Technician in the Metal Furniture division.



Jared Ash

Sales Up With Fiscal Year End Orders

Anamosa is very busy in all areas and looks to finish the year well ahead of last year. Staff and offenders are working hard to meet the customer's fiscal year end orders. We are preparing the old Custom Wood shop for some production needs with the increased orders.

IPI Ventures Into Auditorium Seating

As IPI continues to search for new products to sell to both our current and potential customers, we are teaming up with new vendor partners Bay Product Development and Sedia Systems to introduce auditorium seating to our customers. Anamosa's Metal Furniture Shop is working closely with the vendors to expand their offender training with this new product line.



Customer Presentations Showcase Capabilities

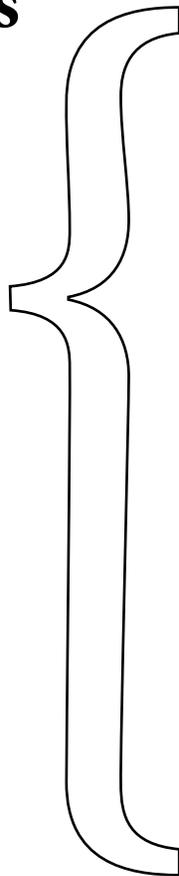
Anamosa hosted several groups this last quarter. On May 15, 28 county treasurers toured the License Plate Shop along with several other areas. Most of our license plates are delivered to the treasurer's office in the courthouse, and our delivery staff makes sure that the service meets their expectations including rush orders.

A presentation to the Anamosa Rotary Club was done on February 14 to help explain our Braille program and the services we offer for the sight impaired. On April 11, presentations were given to statewide Laundry and Dietary groups along with discussions with various Business Managers on our refurbishing services and capabilities.

Canteen Fun Facts

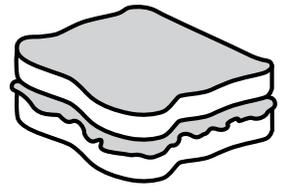
Here are some fun facts related to last quarter's sales of some of the items offered on the Central Canteen:

- Peanut butter: sold 5,532 containers equaling 726 gallons; that's enough to make 82,971 peanut butter sandwiches
- Drink mixes: sold 29,607 packages equaling 10,680 gallons of drinks; that's 170,882 eight-ounce glasses
- Ramen soups: sold 266,718 packages equaling 50,010 pounds of noodles; that's 12.6 miles if you were to lay each package end-to-end



5,532 Containers Sold

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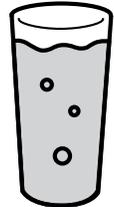


726 Gallons, equal to 82,971 Sandwiches

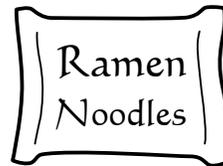


29,607 Packages Sold

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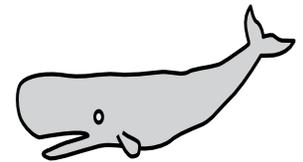


10,680 Gallons, equal to 170,882 8-ounce Glasses



266,718 Packages Sold

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50,010 lbs of noodles, equal to the weight of an adult whale

Summer Catalog Almost Complete

Work has begun on the upcoming summer Central Canteen catalog. Some of the new items to look for will be products for the more health conscious. The catalog should be ready for implementation around the beginning of July.

Greening Iowa: Equipment Refurbishing

Equipment refurbishing benefits both our customers and the environment while providing meaningful training for our offenders at IPI Rockwell City.

IPI's equipment refurbishing program offers Iowa organizations a cost-effective method to keep their equipment in use longer while also allowing for improved reliability and safety. IPI's skilled offender workers can

refurbish a variety of types of equipment; from simple to complex projects, IPI will bring your outdated equipment back to life with a like-new condition.

Our capabilities include sandblasting, painting, small sheet metal repairs, large metal reconstruction, mechanical repairs and parts replacement. The photos below show the range of capabilities we have. Prior customers include the Iowa

Department of Transportation and the City of Rockwell City.

Both the environment and your budget benefit from equipment refurbishing. Not only is the cost of equipment refurbishing often substantially less than replacing with new equipment, but also the existing equipment stays in use for years to come and out of Iowa's scrap yards.



Plow: Before & After



Trailer: Before & After

Iowa Prison Industries Mitchellville Expands Green Operations

(Excerpted from NCIA News Summer 2012 "The Green Edition")

While Mitchellville Panels & Seating, Plastics, and Textiles Divisions are all making a notable green contribution, the flagship of IPI Mitchellville green operations is the Housekeeping/Chemicals Division. Mitchellville Housekeeping/Chemicals features a total of fifty-nine 100% Organic, Biodegradable, Non-Toxic, Recycled, and Green Seal Certified products, accounting for 44.4% of all products and 23.3% of all sales over the last twelve months. This percentage will increase as the State of Iowa moves into compliance with the Iowa Legislature's state-wide Green Mandate. We at IPI Mitchellville are excited about the new green opportunities this piece of legislation has brought to our plant.

As soon as the Iowa Green Mandate was passed, Mitchellville Housekeeping/Chemicals began working to stay one step ahead of the process. Early on in the Green conversion process, Mitchellville Housekeeping/Chemicals developed a "Green Transition Survey" to assist our sales force in helping customers "Go Green." The survey helps our sales force, our plant, and our customers identify their Green purchasing needs.

As the July 1, 2012 deadline for Iowa's Green Mandate nears, Mitchellville Housekeeping/Chemicals Division has supported this initiative by taking steps to transition to more environmentally-friendly product offerings and production. In March 2009, we began the process of transitioning one of our major State universities to 100% Biodegradable cleaning products. This enormous undertaking involved Mitchellville Housekeeping/Chemicals, one of our major chemical vendors, and 16 university custodial teams. By May 2010, Chemicals/Housekeeping and the university converted approximately 92 buildings with 6.5 million total square feet to 100% green cleaning. The new green cleaning system in use at the university is comprised of just four cleaning products that use a single dispenser.



MHC workers with the new floor drainage system

In 2010, Housekeeping/Chemicals, with the assistance of a second vendor, developed a comprehensive All-Facility 100% Green Seal Certified cleaning system. This system consists of only two products and a single dispenser. It also includes a training program and "cart cards" for handy reference by custodial staff. In addition, Mitchellville/Housekeeping has introduced a complete

line of Green floor care products that are as cost-effective and strong as our conventional floor products.

Going one step further in the Green conversion process, Mitchellville Housekeeping/Chemicals is currently working to expand our department to achieve on-site Green Seal production certification. We have already moved equipment and added a brand-new drainage system to accommodate additional equipment, and we are anxiously awaiting the arrival of our new Green mixer and bottler. Although this transition has already involved a tremendous amount of labor, we at Mitchellville Housekeeping/Chemicals are dedicated to the process of becoming a greater part of the world-wide movement toward greater environmental responsibility.

ISU Dorm Chairs Get A Second Chance



Before

After

As part of IPI Mitchellville's campaign to help State Agencies conserve State funds, our Panels & Seating Division regularly reupholsters and refurbishes Iowa State University dorm chairs. These chairs take quite a bit of wear and tear. We replace all foam and fabric as well as mechanical parts if needed. The result is a nearly brand-new chair at 58% less than the new cost. Since 2009, IPI Mitchellville has reupholstered / repaired 805 dorm chairs for ISU, with some of the chairs coming back for a third or fourth chance. This program has created a total savings of \$72,450 for ISU since 2009, as well as offering meaningful training for IPI's skilled offender workers.

Embroidery Shop Designs DOC T-Shirts

IPI Mitchellville recently had the honor of designing and printing the official t-shirts for the 14th Annual DOC Fishing Tournament. The Tournament took place June 22nd and 23rd at Lake Rathbun and included all eight Judicial Districts, all nine Iowa Correctional Institutions, IPI, and DOC's Central Office. Mitchellville Embroidery is pleased to showcase our talents by being a part of this annual

event, and we look forward to seeing these shirts out across the state.



Imaging Scans ISU Architectural Prints

IPI Mitchellville is currently about a third of the way through the scanning of 2,000 architectural blueprints for Iowa State University. The prints include the wiring layouts for two of Iowa State's oldest dormitories—Friley and Helser Halls—with some of the prints dating as far back as December 1926. In order to accomplish the task of scanning the most fragile of these prints, IPI's veteran

Imaging workers actually had to give the prints the “white glove” treatment. They also had to utilize IPI's map scanner to accommodate the large-sized prints, which average three feet by three-and-a-half feet. With the recent Federal legislative changes regarding imaging in correctional settings, blueprint and map scanning have opened new venues for offering offender training in this field.



A veteran IPI Imaging worker scans an architectural blueprint dating back to December 1926

BUSINESS OFFICE

	<u>Year-To Date</u>						
	FY 2012	FY 2011	Variance \$	Variance %	Budget	Variance \$	Variance %
Sales	21,465,655	17,708,595	3,757,061	21%	21,745,339	(279,684)	(1%)
Less Elimination of ID Sales	899,278	586,487	312,791	53%	627,227	272,051	43%
Net Sales	20,566,377	17,122,108	3,444,269	20%	21,118,112	(551,735)	(3%)
Cost of Goods Sold							
Cost of Goods Sold	15,600,505	13,252,652	2,347,853	18%	15,556,487	44,018	0%
+/- Under/(Over) Applied Overhead	1,626	80,949	(79,323)	(98%)	0	1,626	100%
Less Elimination of ID CGS	899,278	586,487	312,791	53%	627,227	272,051	43%
Less Net Cost of Goods	14,702,853	12,747,114	1,955,739	15%	14,929,260	(226,407)	(2%)
Gross Profit	5,863,524	4,374,994	1,488,530	34%	6,188,852	(325,328)	(5%)
Operating Expense - Service Division	422,923	398,903	24,020	6%	415,248	7,675	2%
Administrative Expense							
Administrative Salaries Expense	599,939	576,773	23,165	4%	604,469	(4,530)	(1%)
Travel Expense	16,793	11,779	5,014	43%	14,128	2,665	19%
Training Expense	5,410	1,372	4,038	294%	1,067	4,343	407%
Sales & Marketing Expense	781,233	651,388	129,845	20%	693,102	88,131	13%
Warehouse & Distribution Expense	826,108	591,259	234,849	40%	700,900	125,208	18%
Auto Expense	0	1,299	(1,299)	(100%)	50,149	(50,149)	(100%)
Postage-Office Supplies Expense	44,894	44,462	432	1%	46,394	(1,500)	(3%)
Telephone Expense	15,567	15,211	356	2%	17,292	(1,725)	(10%)
Information Technology Expense	64,277	46,735	17,541	38%	68,375	(4,098)	(6%)
Administrative Miscellaneous	1,180	3,171	(1,991)	(63%)	0	1,180	100%
Administrative Depreciation	29,318	28,474	844	3%	27,500	1,818	7%
Canteen Admin Fee	156,576	161,996	(5,420)	(3%)	161,996	(5,420)	(3%)
Total Admin Expense	2,541,296	2,133,921	407,374	19%	2,385,372	155,924	7%
Income/(Loss) From Operations	2,899,306	1,842,170	1,057,135	57%	3,388,232	(488,926)	(14%)
Other Revenue	4,814	0	4,814	100%	0	4,814	100%
Other Expense	5,473	887	4,586	84%	0	5,473	100%
Corporate Revenue	42,892	49,115	(6,223)	(13%)	50,424	(7,532)	(15%)
Corporate Expense	930,308	1,095,898	(165,590)	(15%)	922,394	7,914	1%
Less Canteen Redistribution	436,769	476,148	(39,379)	(8%)	412,538	24,231	6%
Net Sustainable Income^f	1,574,462	318,352	1,256,109	395%	2,103,724	(529,262)	(25%)

DES MOINES

Move & Install Starts Summer Installs At UNI

The Moving and Install Program got an early start on summer dorm installations this year at the University of Northern Iowa. Over a two-week period, 210 sets of beds, dressers, chairs and desks were delivered and put together. The new facility that the dorm furniture was installed was in the final stages of being built, so the Move & Install crew also had to work closely with and around outside contractors.

This meant ensuring not only that the IPI product was being installed properly and the new building was properly protected from damage, but also required taking extra time to ensure that security policies with the offenders were followed. Every project and every crew provides new challenges, especially when working close with outside contractors. Bob Mesecher and Dan Crook did an outstanding job getting this project completed and even had it done ahead of schedule.

Again this year, the Move & Install calendar is filled with projects from Iowa State University, Des Moines Schools, Iowa Homeland Security, and Polk County, just to name a few projects.



Move & Install team set up dorm furniture for student housing

ON THE LIGHTER SIDE



Birthdays!

Make sure you jot down these upcoming birthdays so you can make sure they have a great day!

July

- 2 – Diane Hughes (AN)
- 10 – Dale Koopman (FM)
- 12 – Shari Long (FM)
- 12 – Mike Spooner (MV)
- 14 – Craig Hilpipre (RC)
- 20 – Jeff Bailey (FM)
- 22 – Laurie Cochran (FM)

August

- 2 – Aaron Lofthus (FM)
- 12 – James Pinegar (NT)
- 14 – Mark Hollenback (AN)
- 15 – Craig Ahlen (FM)
- 20 – Dave Schmitt (AN)

September

- 3 – Chris Guy (AN)
- 3 – Doyle Austin (RC)
- 7 – Julie Schaefer (Farms)
- 10 – Darin Jarding (AN)
- 20 – Jerry Burdette (Farms)
- 23 – Gary Schilling (AN)

October

- 4 – Bryan Koechle (FM)
- 4 – Kent Ashline (AN)
- 9 – Cathy Benedict (AN)
- 9 – Randy Bryant (FM)
- 14 – Teresa Engelbart (AN)
- 15 – Greg Hart (AM)
- 20 – Bob Fairfax (DM)
- 22 – Jeffery Buford (Farms)
- 22 – Karyn Hartwig-Evans (MV)
- 30 – Grace Kurt (AN)



Clint Schmidt, Ann Baughman, and Bob Mesecher (not shown) all turned one year younger the 1st week in June. To celebrate, the Move & Install and Sales & Marketing teams took a quick cake break

Please submit any personal news you would like included in the IPI Newsletter to your plant manager or to Ann Baughman at the Sales Office.