

State of Alaska FY2002 Governor's Operating Budget

Department of Corrections Correctional Industries Product Cost Component

Component: Correctional Industries Product Cost

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Component Mission

In accordance with Alaska Statutes the primary mission of the Correctional Industries Program is to assist in the rehabilitation of prisoners by providing realistic work experience as much like those that prevail in private industry as possible. (Modified from Legislative Version)

The mission of the Alaska Correctional Industries is to assist in the rehabilitation of inmates by providing marketable work skills. (SLA 2000 Chapter 126)

Component Services Provided

To operate the following Correctional Industries Product service enterprises:

- Juneau Commercial Laundry
- Fairbanks Garment/Flat Goods Shop
- Kenai Office Furniture Systems Plant
- Eagle River Garment Shop
- Kenai Metals Plant
- Seward Wood Furniture Plant
- Palmer Auto Body Shop
- Juneau Staph Guard Hospital Laundry (a private cooperative venture)
- Palmer Meat Processing Plant

Component Goals and Strategies

- Develop and operate agricultural, industrial, and service enterprises to employ offenders and provide rehabilitation.
- Provide vocational training and realistic work activity to prepare offenders for post-incarceration experiences.
- Modify behavior (work habits/marketable skills) of sentenced individuals through reinforcing society's work ethic.
- Produce a quality product or service, competitively priced and delivered in a timely fashion that will generate revenues.
- Accomplish the above goals through sound, business-like procedures that will reduce the potential dangers of inmate idleness.

Key Component Issues for FY2001 – 2002

- The Correctional Industries Program primarily markets its products to state agencies and political sub-divisions. Changes in mandatory contract awards will require Correctional Industries to re-evaluate its current pricing, production scheduling, and existing product lines to allow for the most efficient utilization of existing production capacity.
- Turnover in inmate employees due to out of state transfers will increase the number of individuals participating in the program. Transfers will also require more on the job training for new inmate employees to maintain quality in finished products and timely delivery schedules for customers. As a result, production capability will be reduced.
- Procedures on partnerships with private sector enterprises, which allow Alaskan dollars to re-circulate within the state's economy, will be re-evaluated to identify potential new methods for continued expansion. The expiration of an existing private sector contract and the current participation in a federal certification program will require additional assessment for continued participation.

- The continued development of a web page and on-line catalog will improve the capability of Correctional Industries to provide increased information to its customers.

Major Component Accomplishments for FY2000

- Provided approximately 318,000 annual hours of inmate employment that allowed for the transfer of a socially acceptable work ethic and applied on-the-job vocational training to develop occupational skills.
- The successful implementation of a Hazard Analysis Critical Control Point (HACCP) program at the Mt. McKinley Meats operations to meet new federal sanitation requirements.
- Completion of a favorable Prison Industries Enhancement Program (PIE) review and audit as conducted by the Correctional Industries Association (CIA) for the Bureau of Justice Assistance (BJA) signifies federal compliance.
- A successful introduction and development of a garment manufacturing industry at the Hiland Mountain Correctional Center is now providing correctional industries employment for females incarcerated at the HMCC facility.
- A continued effort by the Correctional Industries Commission to conduct public meetings and hearings has provided an opportunity for persons or organizations to appear and present testimony concerning correctional industries operations.
- Implementation and utilization of a QuickBooks accounting software package for all industries operations has centralized financial reporting and is providing monthly financial reporting for management decision making purposes.

Statutory and Regulatory Authority

- 1) Probation, Prisons and Prisoners (AS 33)
- 2) Welfare, Social Services and Institutions (AS 47)
- 3) Health and Safety (AS 18)
- 4) Criminal Law (AS 11)
- 5) Public Finance (AS 37)
- 6) State Government (AS 44)
- 7) Create Corrections (EX.OR.55)
- 8) Corrections (22 AAC)

Key Performance Measures for FY2002

Measure: Program participants who receive jobs after release.

(Added by Legislature in FY2001 version.)

Current Status:

A database is being established to track this information.

Benchmark:

This is the first year of this measure. Individual benchmarks are in the process of being established.

Background and Strategies:

There are several sound correctional reasons to utilize correctional industries throughout the institutional system. As a management tool, it provides inmates with a sense of accomplishment and pride. It also allows those inmates who participate, a chance to feel productive.

The mission of ACI is to assist in the rehabilitation of inmates by providing marketable work skills. Above and beyond the actual skills taught, the inmates learn a work ethic that they can utilize inside and outside of prison walls.

Measure: Sentenced inmates who participate in Alaska Correctional Industries.

(Added by Legislature in FY2001 version.)

Current Status:

During the first four months of FY01, 12.2% of sentenced inmates incarcerated in Alaska were participating in Alaska Correctional Industries.

Benchmark:

This is the first year of this measure. Individual benchmarks are in the process of being established.

Background and Strategies:

There are several sound correctional reasons to utilize correctional industries throughout the institutional system. As a management tool, it provides inmates with a sense of accomplishment and pride. It also allows those inmates who participate, a chance to feel productive.

The mission of ACI is to assist in the rehabilitation of inmates by providing marketable work skills. Above and beyond the actual skills taught, the inmates learn a work ethic that they can utilize inside and outside of prison walls.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> Program participants who receive jobs after release. Sentenced inmates who participate in Alaska Correctional Industries. 			X		

Correctional Industries Product Cost
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	39.6	47.7	47.7
73000 Contractual	588.5	514.0	514.0
74000 Supplies	2,521.6	2,490.9	3,140.9
75000 Equipment	32.4	48.5	48.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	317.9	399.5	399.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,500.0	3,500.6	4,150.6
Funding Sources:			
1059 Correctional Industries Fund	3,500.0	3,500.6	4,150.6
Funding Totals	3,500.0	3,500.6	4,150.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Correctional Industries Fund	51190	3,500.0	3,500.6	3,500.6	4,150.6	4,150.6
Restricted Total		3,500.0	3,500.6	3,500.6	4,150.6	4,150.6
Total Estimated Revenues		3,500.0	3,500.6	3,500.6	4,150.6	4,150.6

Correctional Industries Product Cost

Proposed Changes in Levels of Service for FY2002

- Correctional Industries Product Cost funds in the amount of \$650.0 will be used to purchase raw materials for the industries. The Program generates receipts from the sale of goods.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	3,500.6	3,500.6
Proposed budget increases:				
-Increase Product Cost Authorization	0.0	0.0	650.0	650.0
FY2002 Governor	0.0	0.0	4,150.6	4,150.6