

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Corrections
Correctional Industries Administration
Component Budget Summary**

Component: Correctional Industries Administration

Contact: Wally Roman, Correctional Industries Manager

Tel: (907) 465-3309 **Fax:** (907) 465-3314 **E-mail:** wally_roman@correct.state.ak.us

Component Mission

To assist in the rehabilitation of inmates by providing marketable work skills.

Component Services Provided

To manage and operate the Correctional Industries Production service enterprises.

Component Goals and Strategies

- Make a positive contribution to the Alaskan economy through cooperative efforts with labor organizations and private businesses and to minimize the negative impact of the program upon existing private enterprises and labor force in the State.
- Develop and operate agricultural, industrial, and service enterprises under the jurisdiction of the department.
- Structure the program and work environment to increase the prisoners' financial responsibility; provide as many jobs for prisoners as possible; allow prisoners to acquire or improve work habits and occupational skills; and increase the probability of opportunities for employment after release.
- Maintain high standards of quality in all products and services generated through the program.
- Manage the program so that it will support all expenses of the program, including administration, by generating a self sufficient amount of money from the sale of products and services.
- Ensure that all aspects of the Correctional Industries Program are consistent with proper penal administration and integrated with other programs and services within the department.

Key Component Issues for FY2003 – 2004

- 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, and production scheduling of existing product lines to allow for the most efficient utilization of existing production capacity.
- The Correctional Industries Program will be working in conjunction with the Division of Agriculture to transition management of the Mt. McKinley Meats operation to a potential private sector entity.
- An analysis of state agency needs may require the introduction of new standardized products and revised manufacturing processes. New processes are designed to increase the quality of correctional industries products.
- Repeated turnover in inmate employees requires more on-the-job training to maintain quality of finished products and timely delivery to customers. As the number of additional inmate employees increases, production capability is reduced.
- Continued development of a web page catalog with additional improvements will increase the capability of Alaska Correctional Industries to provide marketing and delivery information to customers.

Major Component Accomplishments in 2002

- Approximately 228,345 annual hours of inmate employment were provided through on-the-job vocational training. This on-the-job training encouraged the development of acceptable work ethics by those employed inmates.
- Attained gross sales of \$3,206,770 in Correctional Industries provided products and services allowing all operations to be self-supporting.
- Pilot non-mandatory State of Alaska contracts were established to increase correctional industries service to state agency customers and as a method to streamline the marketing of the program's ergonomic chair products.
- Continuation of an existing private sector contract for a private cooperative venture to employ inmates at the Lemon Creek Correctional Center. Additional private sector companies were identified as free venture partners to market correctional industries products assisting growth in the Alaskan economy.

- Procedures relating to partnerships with private sector enterprises were again re-evaluated by the Correctional Industries Commission in order to identify potential methods for expanding private sector joint ventures.

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)

Correctional Industries Administration
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,172.3	1,202.2	963.2
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.3	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,172.6	1,202.2	963.2
Funding Sources:			
1004 General Fund Receipts	1,139.0	1,202.2	0.0
1007 Inter-Agency Receipts	33.6	0.0	0.0
1059 Correctional Industries Fund	0.0	0.0	963.2
Funding Totals	1,172.6	1,202.2	963.2

Correctional Industries Administration

Proposed Changes in Levels of Service for FY2004

No GF funding is included in this component for FY 04. Legislation is necessary to allow state employee salaries to be paid from product cost revenues. The Mt. McKinley meat plant will no longer be run by the department.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	1,202.2	0.0	0.0	1,202.2
Adjustments which will continue current level of service:				
-ADN# 20-3-0020 - Correctional Industries GF Auth to Inmate Health Care	-239.0	0.0	0.0	-239.0
Proposed budget decreases:				
-Amendment to AS 33.32.020, Correctional Industries Fund	-963.2	0.0	963.2	0.0
FY2004 Governor	0.0	0.0	963.2	963.2

Correctional Industries Administration

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	18	14	Annual Salaries	744,887
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	258,376
			<i>Less 3.99% Vacancy Factor</i>	(40,063)
			Lump Sum Premium Pay	0
Totals	18	14	Total Personal Services	963,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	0	0	1	0	1
Corr Ind Marketing Rep	1	0	1	0	2
Corr Indus Prod Mgr I	1	0	1	2	4
Corr Indus Prod Mgr II	1	1	1	3	6
Correctional Indus Mgr II	0	0	1	0	1
Totals	3	1	5	5	14