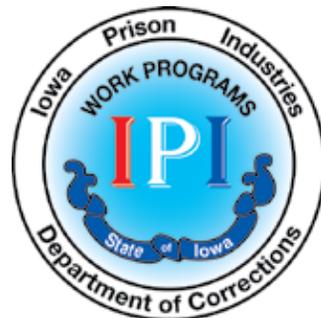


Building Bridges To Success



Annual Report
2007-2008

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 2008. This report provides an overview of our organization and a summary of the Fiscal Year's accomplishments, of which there are many. We have highlighted several significant events that will continue to help shape our future as we strive to expand our work opportunities for the offenders.

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

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

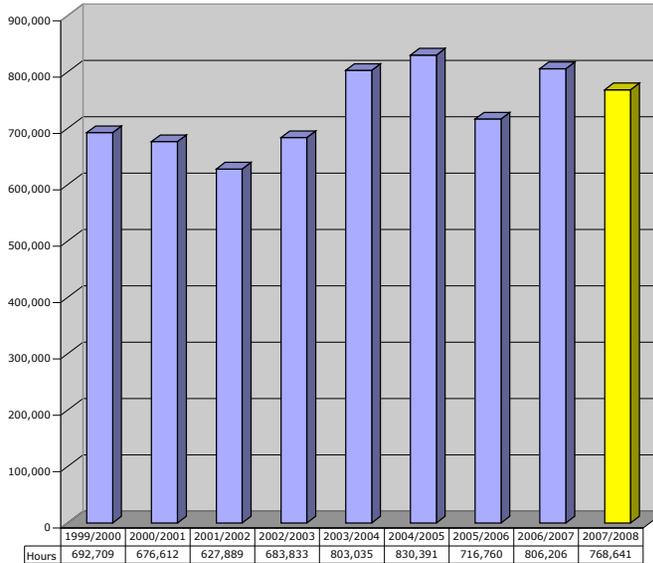
Sincerely,



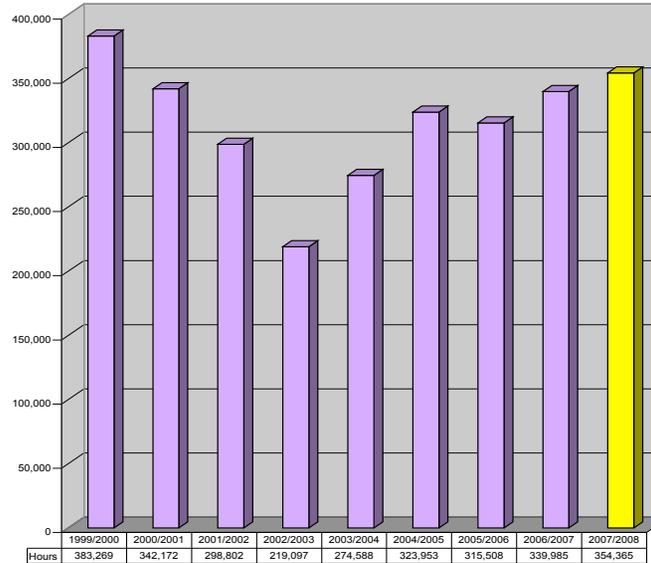
Roger L. Baysden

Inmate Work History

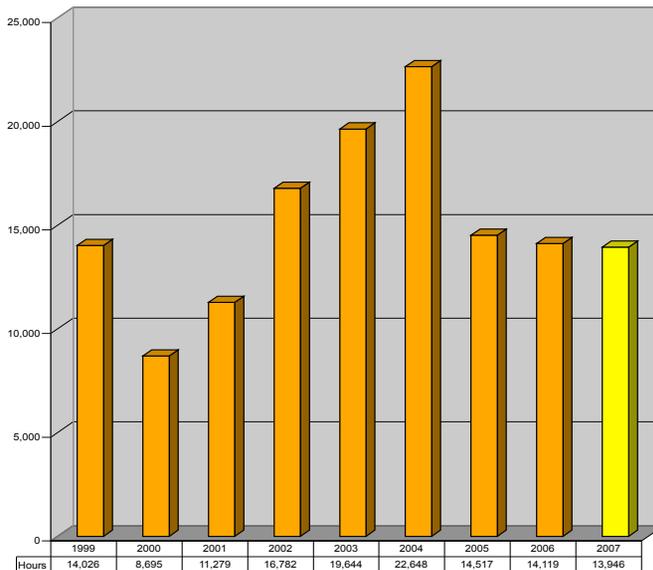
Traditional Industries Hours



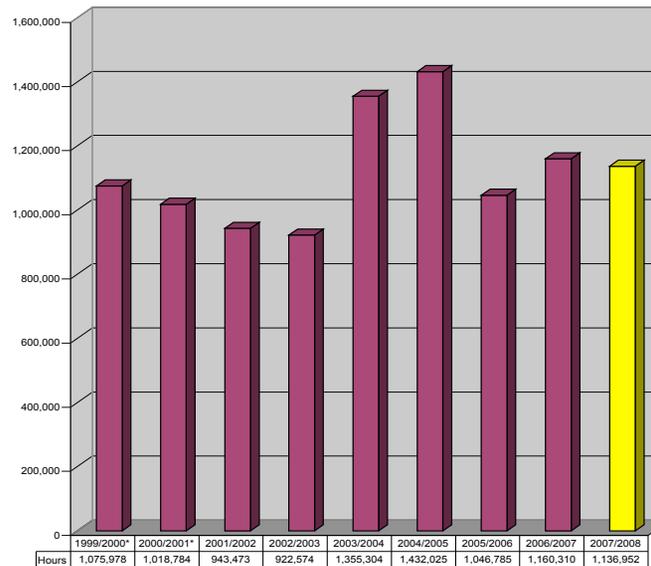
Private Sector Hours



Farms Hours



Total IPI Inmate Hours



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 FY2008. 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 98.8% "Excellent" or "Good" rating on Service, Quality and Pricing (see page 17 for full results) with 96.5% of customers saying they would recommend IPI to others.

Inmate Wage Scale:

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

**Satisfied Customers
Equal More Work**

**Diversity...
Everyone Counts**

Industries Role In Rehabilitation Focuses On:

Soft Skills:

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

Hard Skills:

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



Textiles Operation, Fort Madison

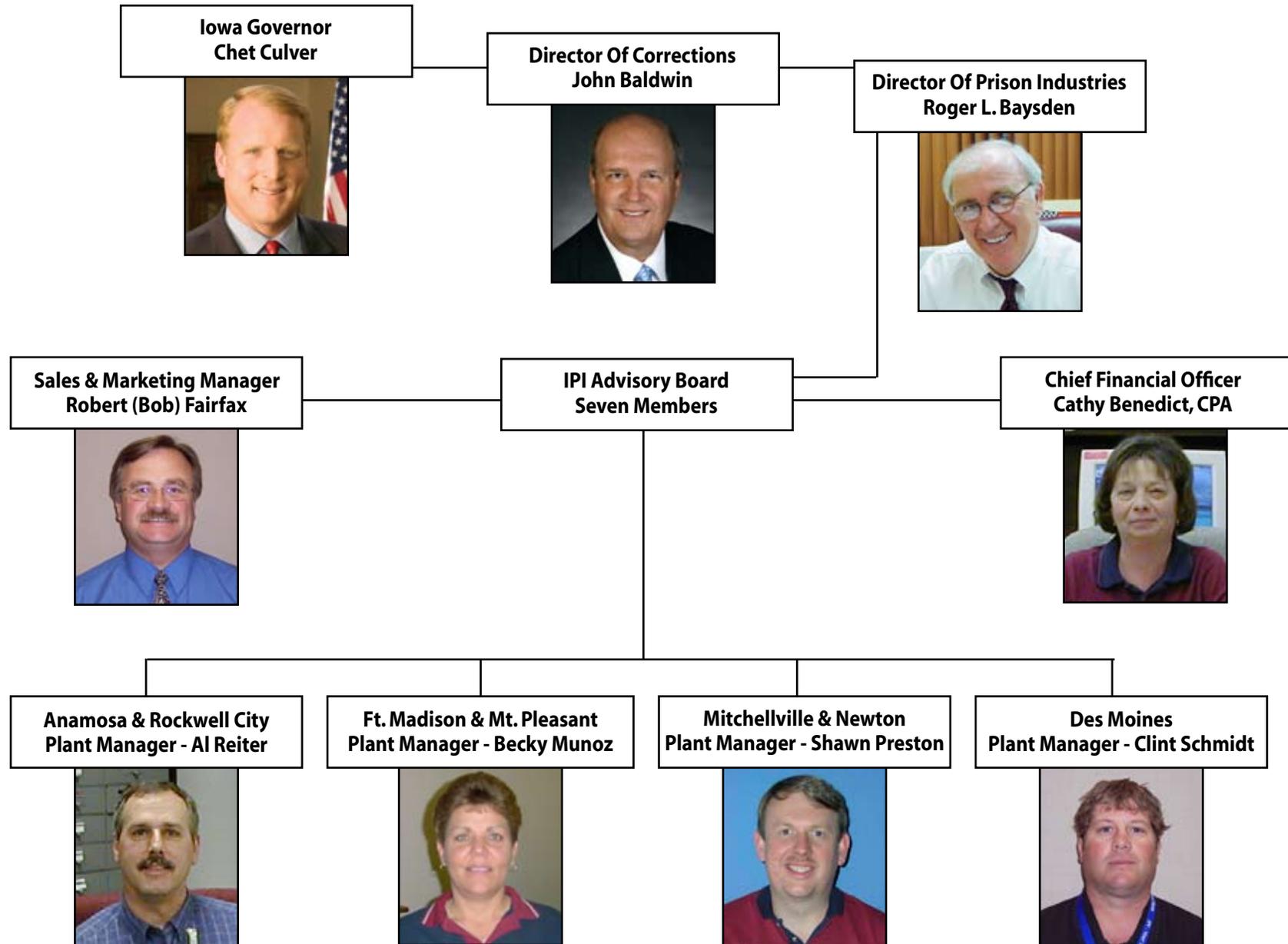


Wood Furniture Operation, Fort Madison



Office Furniture, Iowa Veteran's Cemetery

Who We Are



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)



Housekeeping/Chemicals Operation, Mitchellville



Sewing Operation, Mitchellville



Library Furniture, Marengo Public Library

Who We Are

IPI Advisory Board Members

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

What They Do:

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



IPI Board Members hold a quarterly meeting at the IPI All Staff Meeting in March 2008. Pictured from left to right: Michael Peters, Curtis Jenkins, Doug Hillman and Robert Carr.



Central Canteen, Newton



Metal Furniture Operation, Rockwell City



Custom Wood Office Furniture, Iowa City School District

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 88 staff workers, up from 78 in 2004, in various capacities of inmate management.

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



Dorm Furniture Operation, Mount Pleasant



Classroom Furniture, Des Moines Public Schools



Braille Transcription Operation, Anamosa

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 FY2008.
- Iowa Prison Industries provides nearly 600 inmate jobs per day and in FY2008 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 \$20 million in raw materials, supplies & services in FY2008.

Benefits To Customers:

- 98.8% of Iowa Prison Industries' customers rated IPI an EXCELLENT or GOOD supplier in FY2008 and 96.5% said they would recommend IPI to others.
- Quality products.
- Real value for their money.
- Reliable labor at reasonable rates.
- Full-service operation.

Satisfied customers keep coming back! 98.8% of our customers rated us EXCELLENT or GOOD in FY2008!

Benefits To Corrections:

Iowa Prison Industries programmatic benefits include:

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

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

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

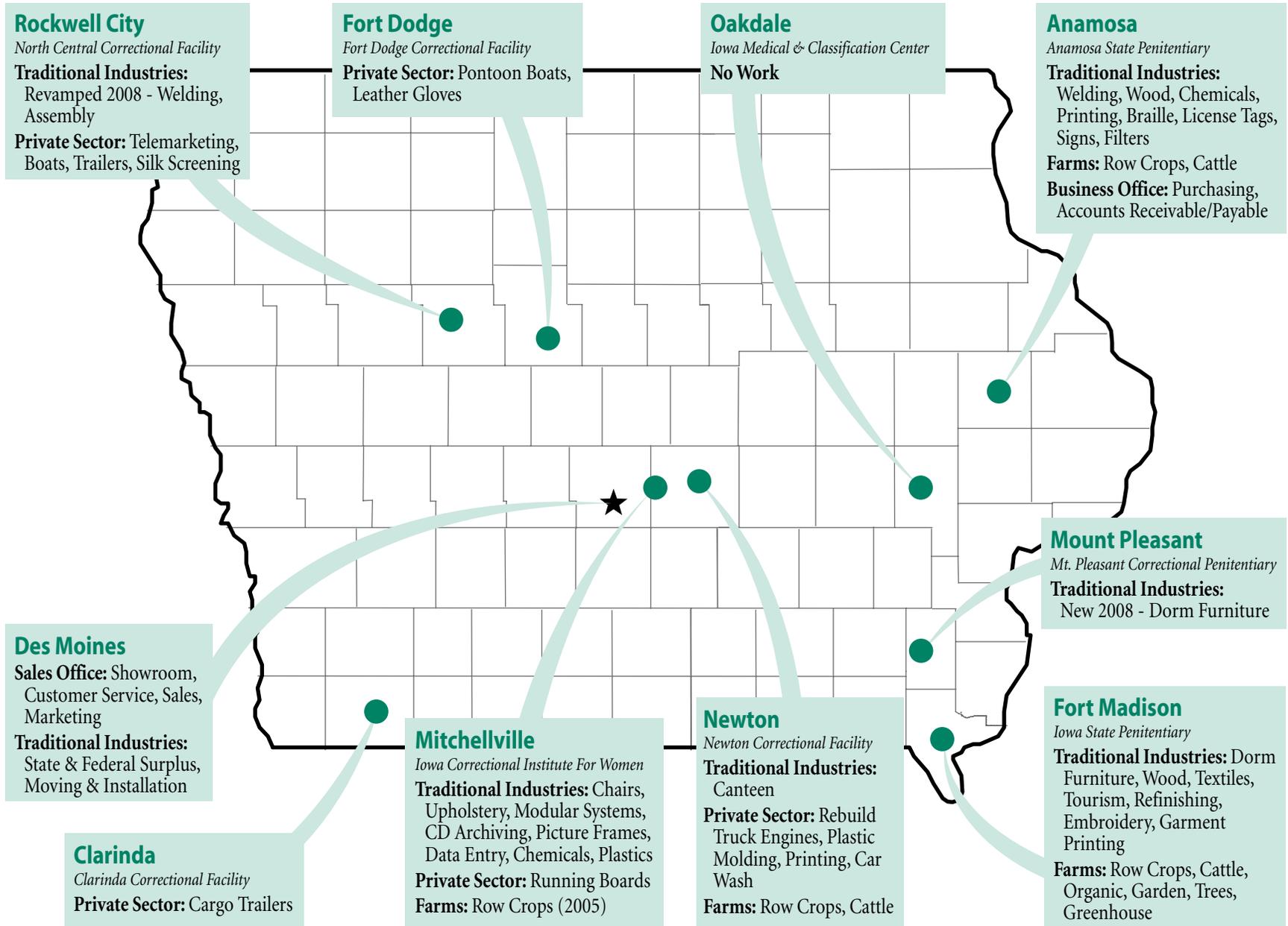
Benefits To Offenders:

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

Offenders are released with a sparkle of hope!

Iowa Prison Industries Is A Tax-Free Program!

IPI Locations



Financial Data

Financial Statement Summary FY2008

	----- SALES -----		----- CHANGE -----			----- SALES -----		----- CHANGE -----	
	FY2008	FY2007	\$	%		FY2008	FY2007	\$	%
ANAMOSA					MITCHELLVILLE				
License Plates	\$1,011,858	\$1,102,363	(90,505)	(8.2)%	Panels & Seating	2,303,471	1,414,459	889,012	62.9%
Sign	2,453,038	2,370,641	82,397	3.5%	Printing	244,785	339,121	(94,336)	(27.8)%
Graphic Arts	780,329	821,353	(41,024)	(5.0)%	CD Rom	181,334	197,908	(16,574)	(8.4)%
Housekeeping/Laundry	1,370,746	1,478,192	(107,445)	(7.3)%	Housekeeping/Chemical	107,143	0	107,143	0.0%
Filters	151,982	131,223	20,759	15.8%	Textiles	53,298	0	53,298	0.0%
Metal Furniture	2,428,252	2,093,353	334,899	16.0%	Plastics	914,394	784,358	130,036	16.6%
Custom Wood	466,634	668,758	(202,124)	(30.2)%	MITCHELLVILLE TOTAL	2,735,846	1,951,489	1,068,579	39.1%
Braille	229,637	287,817	(58,179)	(20.2)%	DES MOINES				
ANAMOSA TOTAL	8,892,477	8,953,700	(61,223)	(0.7)%	State Surplus	217,369	227,639	(10,270)	(4.5)%
FT MADISON					Federal Surplus Property	80,060	120,105	(40,045)	(33.3)%
Furniture	1,740,109	2,229,030	(558,920)	(24.3)%	Moving & Installation	295,397	323,167	(27,770)	(8.6)%
Recycled Wood	7,986	0	7,986	0.0%	DES MOINES TOTAL	592,826	670,911	(78,085)	(11.6)%
Textile	783,747	784,138	(392)	0.0%	CANTEEN				
Tourism/Call Center	187,056	199,200	(12,144)	96.1)%		4,811,360	4,755,231	56,128	1.2%
FT MADISON TOTAL	2,718,898	3,282,368	(563,470)	(17.2)%					

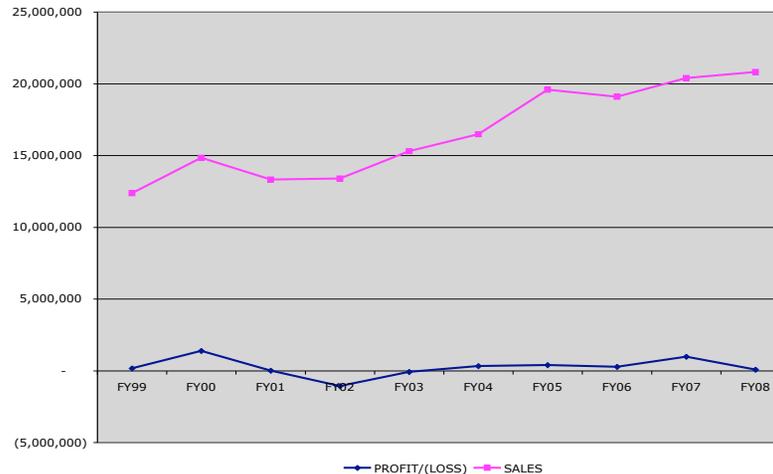
	----- SALES -----		----- CHANGE -----	
	FY2008	FY2007	\$	%
TOTAL	20,819,986	20,398,056	421,929	2.1%

IPI Supports The Local Economy: IPI Purchased Over \$20 Million in Raw Materials, Supplies & Services In FY2008

Financial Data

10 Year Sales & Profit Trends FY1999 - FY2008

	PROFIT	SALES
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
FY99	166,956	12,373,677



- 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 2008, IPI rebated \$563,367 to the Department of Corrections for Canteen.
- In 2005, IPI took over the Federal Surplus operations from DAS. Federal Surplus consolidated with State Surplus, which IPI has operated since 1997.
- In 2006, IPI consolidated all Des Moines operations into the IPI Complex at 2323 Dean Avenue, which houses the IPI Showroom, State Surplus and Federal Surplus.

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

Financial Data

Top 50 Customers

FY2000		DOLLARS	FY2008		DOLLARS
1	IOWA STATE UNIVERSITY	\$ 1,650,764	1	UNIVERSITY OF IOWA	\$ 982,759
2	VARIOUS SURPLUS DEPT.	\$ 169,758	2	DES MOINES IND CMMTY SCHOOL	\$ 961,698
3	UNIVERSITY OF IOWA	\$ 103,448	3	IOWA STATE UNIVERSITY	\$ 567,760
4	LINN CO. ENGINEER	\$ 69,989	4	IOWA WESTERN CMMTY COLLEGE	\$ 309,038
5	DAVENPORT SCHOOL ADMIN.	\$ 49,765	5	UNIVERSITY OF ARKANSAS	\$ 249,897
6	GRINNELL COLLEGE	\$ 48,912	6	VARIOUS SURPLUS CUSTOM (REGTX)	\$ 157,668
7	COURT ADMIN. / WATERLOO	\$ 46,043	7	MORNINGSIDE COLLEGE	\$ 135,628
8	MT. PLEASANT COMM. SCHOOL	\$ 44,134	8	NORWALK CMMTY SCHOOL	\$ 125,670
9	DES MOINES IND COMM. SCHOOL	\$ 43,029	9	UNIVERSITY NORTHERN IA PURCH	\$ 97,956
10	DOT - DES MOINES	\$ 1,189,582	10	WATERLOO CMMTY SCHOOL	\$ 94,038
11	DOT - AMES	\$ 919,749	11	JOHNSTON CMMTY SCHOOL	\$ 92,856
12	HUMAN SERVICES DEPT.	\$ 745,970	12	NORTH CAROLINA DEPT OF	\$ 91,236
13	ECONOMIC DEV. DEPT	\$ 718,084	13	PELLA CHRISTIAN HIGH SCHOOL	\$ 84,775
14	FT. DODGE CORR. FACILITY	\$ 467,205	14	GRINNELL COLLEGE	\$ 71,247
15	ICIW - MITCHELLVILLE	\$ 318,631	15	AQUIN ELEMENTARY SCHOOL	\$ 65,940
16	NEWTON CORR. FACILITY	\$ 299,802	16	SAC CO ENG	\$ 65,362
17	MT. PLEASANT CORR. FACILITY	\$ 284,891	17	CEDAR RAPIDS CMMTY SCHOOL	\$ 63,875
18	ANAMOSA STATE PENITENTIARY	\$ 273,962	18	DUBUQUE CMMTY SCHOOL	\$ 56,586
19	IOWA STATE PENITENTIARY	\$ 263,457	19	DAVENPORT SCHL ADMIN SERV CENT	\$ 55,364
20	GLENWOOD STATE HOSPITAL	\$ 199,935	20	STONE CITY IRON & METAL	\$ 48,289
21	CLARINDA CORR. FACILITY	\$ 179,488	21	WEST DES MOINES CITY OF	\$ 47,405
22	DHS REGION 5	\$ 160,578	22	MINNCOR INDUSTRIES	\$ 47,323
23	NATURAL RESOURCES/DM	\$ 149,503	23	DOT DES MOINES VEHICLE REG	\$ 1,005,109
24	EDUCATION DEPT	\$ 139,946	24	DHS FISCAL MGMT	\$ 455,484
25	CENTRALIZED PRINTING	\$ 135,037	25	DOT AMES	\$ 384,808
26	STATE VEHICLE DISPATCH	\$ 134,430	26	GLENWOOD RESOURCE CTR #91	\$ 383,965
27	HUMAN RIGHTS DEPT.	\$ 129,933	27	IOWA STATE PENITENTIARY	\$ 323,224
28	DHS REGION 3	\$ 124,586	28	IOWA MEDICAL CLASS CENTER	\$ 280,254
29	BOARD OF MEDICAL EXAMINERS	\$ 117,616	29	CLARINDA CORRECTIONAL FACILITY	\$ 256,626
30	IMCC - OAKDALE	\$ 111,280	30	ECONOMIC DEVELOPMENT DEPT OF	\$ 235,324
31	CORRECTIONS DEPT.	\$ 101,571	31	FORT DODGE CORR FACILITY	\$ 222,136
32	GENERAL SERVICES DEPT.	\$ 100,847	32	MT PLEASANT CORR FAC	\$ 221,258
33	HUMAN SERVICES DEPT.	\$ 89,756	33	ANAMOSA ST PENITENTIARY	\$ 220,960
34	REVENUE DEPT	\$ 89,223	34	NEWTON CORRECTIONAL FAC	\$ 192,708
35	IOWA VETERANS HOME	\$ 88,027	35	ADMINISTRATIVE SERV DEPT OF	\$ 185,283
36	DHS REGION 1	\$ 86,427	36	BLIND DEPT FOR THE	\$ 181,990
37	DHS REGION 2	\$ 85,463	37	IOWA CRRCTNL INST WOMEN	\$ 166,925
38	IOWA WORKFORCE DEV.	\$ 80,941	38	IOWA VETERANS HOME	\$ 138,742
39	NORTH CENTRAL CORR. FACILITY	\$ 73,966	39	NATURAL RESOURCE DES MOINES	\$ 128,752
40	CIVIL RIGHTS COMM.	\$ 72,182	40	WOODWARD RESOURCE CENTER	\$ 127,021
41	PHARMACY EXAMINER BRD	\$ 70,573	41	ACCTG & FINANCIAL MGMNT SERV	\$ 94,994
42	DHS REGION 4	\$ 68,533	42	COLLEGE AID COMM	\$ 90,513
43	THIRD JUDICIAL DISTRICT	\$ 62,020	43	STATE TRAIN SCHOOL FOR BOYS	\$ 70,742
44	CLARINDA YOUTH CORP.	\$ 61,360	44	PUBLIC HEALTH PLAN & ADM	\$ 69,640
45	WOODWARD RESOURCE CENTER	\$ 61,029	45	CORRECTIONAL SERV DEPT OF	\$ 68,415
46	DENTAL EXAMINER BRD	\$ 58,882	46	IOWA WORKFORCE DEV	\$ 58,122
47	VOCATIONAL REHABILITATION	\$ 55,583	47	DHS SERVICE AREA 6	\$ 55,816
48	HEALTH DEPT.	\$ 53,368	48	DHS SERVICE AREA 7	\$ 52,613
49	PERSONNEL DEPT	\$ 43,319	49	REVENUE DEPT OF	\$ 50,506
50	MHI / MT PLEASANT	\$ 42,674	50	VOCATIONAL REHABILITATION	\$ 49,683
	TOTAL	\$ 10,735,251		TOTAL	\$ 10,243,980

- In FY2000, only 9 of IPI's top 50 customers were volunteer purchasers.
- In FY2008, 22 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

**Satisfied Customers
Tell Their Friends.**

University of Iowa, Hardin Library: Furniture

“You folks were exceptional to work with plus being prompt and courteous.”

– Deanna Redlinger, Secretary - May 2008

Governor’s Mansion (Terrace Hill): Refinishing

“A big thank you for the furniture refinishing. The pieces turned out even better than I expected. They look new and are beautiful. Please extend our thanks to the craftsman who did the project!”

– First Lady Mari Culver - April 2008

Custom Bedroom Furniture

“The custom made bedroom furniture from Prison Industries exceeded our expectations. The designers came up with great ideas, and we used them in all the furniture pieces. This furniture is built solid with awesome craftsmanship. The people that built our furniture have our appreciation. Thanks and great job.”

– Richard Brus - April 2008



Logan Boy’s & Girls Club: Gym Painting

“I would recommend this to anyone. They did an exceptional job. The skill level was professional without the professional price. I definitely will be mentioning it to all coworkers in the field. Thanks for the great job!”

– Dawn T. Narcisse, Unit Director - March 2008



Iowa State Penitentiary: Mattresses

“I just want to convey my appreciation to IPI for coming up with the security view mattresses. We are in the process of placing them in all our segregation areas at the Iowa State Penitentiary. These mattresses make it near to impossible for inmates to hide contraband and they allow staff to conduct searches of inmate’s living quarters much easier and quicker. Eventually all of our cells will have these mattresses. Besides, the price is right. Thanks again.”

– John Ault, Warden - February 2008

Refinishing

“Bob delivered the table this morning and it looks great! The finish and color are exactly what we had hoped for. Please pass along to the person(s) who did the re-finishing that they did a fantastic job restoring the table. Hard to believe it’s the same table. We will be sure to mention to others the wonderful work IPI does with re-finishing furniture.”

– John & Karen Clark - December 2007

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

Satisfied Customers

Customer Satisfaction Card Results FY2008

	Anamosa			Mitchellville			Fort Madison		
	Excellent	Good	Below Average	Excellent	Good	Below Average	Excellent	Good	Below Average
Sales Representative Knowledge	88.3%	11.5%	0.2%	77.4%	21.5%	1.1%	77.8%	22.2%	0.0%
Timeliness of Delivery	78.1%	19.2%	2.7%	66.7%	25.0%	8.3%	66.7%	33.3%	10.0%
Delivery Service	83.6%	15.2%	1.3%	74.5%	25.5%	0.0%	100.0%	0.0%	0.0%
Quality of Goods	84.3%	15.3%	0.4%	81.7%	17.4%	0.9%	66.7%	33.3%	0.0%
Value for Money	86.3%	13.2%	0.5%	76.5%	20.6%	2.9%	55.6%	44.4%	0.0%
Questions/Problems Handled Promptly	88.6%	11.0%	0.4%	74.7%	24.2%	1.1%	77.8%	22.2%	0.0%
Average	84.4%	14.6%	1.0%	75.2%	22.3%	2.5%	73.6%	26.4%	0.0%
	Yes	No	Maybe	Yes	No	Maybe	Yes	No	Maybe
Would you recommend us to others?	96.9%	0.3%	2.7%	92.9%	1.2%	5.9%	100.0%	0.0%	0.0%

IPI Overall			
Cards Returned: 866			
	Excellent	Good	Below Average
Sales Representative Knowledge	86.6%	13.1%	0.3%
Timeliness of Delivery	76.5%	20.0%	3.4%
Delivery Service	82.6%	16.3%	1.1%
Quality of Goods	83.8%	15.8%	0.5%
Value for Money	84.4%	14.7%	0.9%
Questions/Problems Handled Promptly	86.3%	13.2%	0.5%
Average	83.0%	15.8%	1.2%
	Yes	No	Maybe
Would you recommend us to others?	96.5%	0.4%	3.1%



Left to Right: Michael Savala, Fred Scaletta, Roger Baysden and Patrick Murphy at the Iowa Veterans Cemetery dedication.

State Of Iowa Code

904.801-STATEMENT OF INTENT

It is the intent of this division that there be made available to inmates of the state correctional institutions opportunities for work in meaningful jobs with the following objectives:

1. **To develop within those inmates willing to accept and persevere in such work:**
 - a. Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;
 - b. Good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system; and
 - c. To the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.
2. **To enable those inmates willing to accept and persevere in such work to:**
 - a. Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence;
 - b. Make restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;
 - c. Make it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary if they were employed in the community; and
 - d. Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.

904.803-PRISON INDUSTRY ADVISORY BOARD

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

State Of Iowa Code

904.804-DUTIES OF THE BOARD

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

904.805-DUTIES OF THE DIRECTOR

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

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

904.808-STATE PURCHASING REQUIREMENTS (Poorly Enforced)

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

Private Sector

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

**Private Sector provided
364,365 hours of inmate
contact in FY2008.**

Quick Facts:

- Over 200 inmates work in private sector, or about 2.8% of DOC offenders.
- Private Employers may employ inmates in Iowa.
- Private Employers must pay prevailing wages. Inmates earn \$7.25 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 21 for wage distribution.
- Private Employers must provide all supervision. NO state assistance is available.
- IPI/DOC has local responsibility for program administration, under the guidance of the Federal Bureau of Justice.
- Private Sector inmates have paid over \$4.2 million in TAXES since 1999.
- Private Sector inmates have paid over \$2.0 million in restitution since 1999.
- Private Sector inmates have paid over \$1.0 million in Victims Comp since 1999.
- Private Sector inmates have paid back to the General Fund over \$7.3 million since 1999.
- Private Sector jobs are the fastest growing jobs nationally.
- Private Sector jobs are almost always service/manufacturing.
- Private Sector jobs are the most cost efficient jobs the state can offer.
- Private Sector jobs are the most volatile, highly dependent upon a strong economy.

Little known fact: IPI inmates paid more in child support in 2003 than all of the Iowa inmates combined earned in 1997!

Private Sector

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

**Iowa Outperforms
The Nation!**

	Since Inception Iowa Inmates Have Paid	% Of Wages Earned	Nationally Iowa Ranks
Inmate Population			37th
Total Wages Earned	\$22,952,160.00		7th
Wage Redistribution			
Victims Programs	\$2,430,183.00	10.1%	5th
Room & Board	\$7,756,511.00	33.7%	6th
Family Support	\$2,155,860.00	9.4%	4th
Taxes Paid	\$4,639,937.00	20.2%	6th
Mandatory Savings	\$2,459,296.00	10.7%	3rd
Inmate Share	\$4,590,432.00	20.0%	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.**

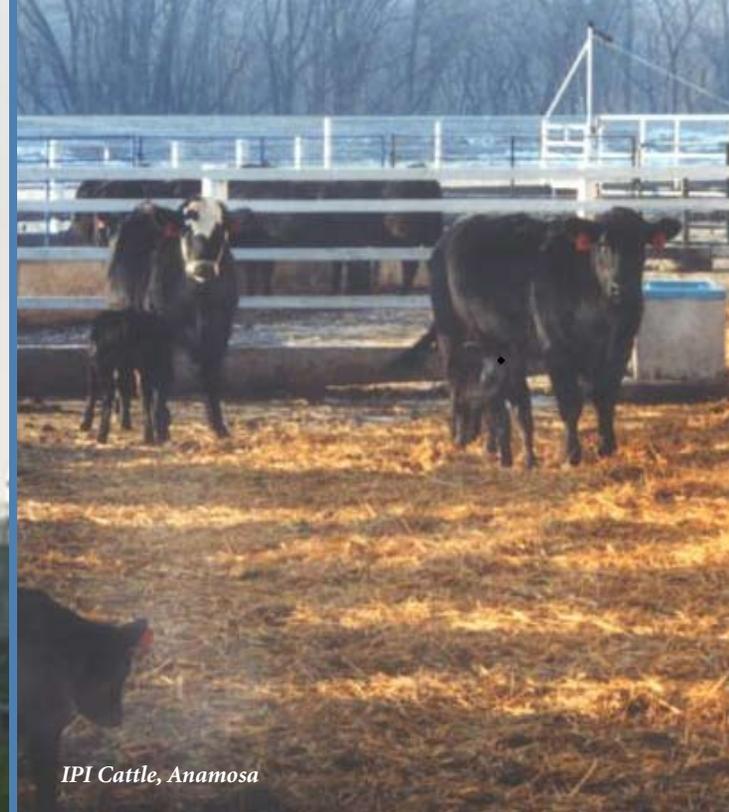
- b. From the inmate's gross payroll earnings, the following amounts shall be deducted:
 - (1) Twenty percent, to be deposited in the inmate's general account.
 - (2) All required tax deductions, to be collected by the inmate's employer.
 - (3) Five percent, to be deducted for the victim compensation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

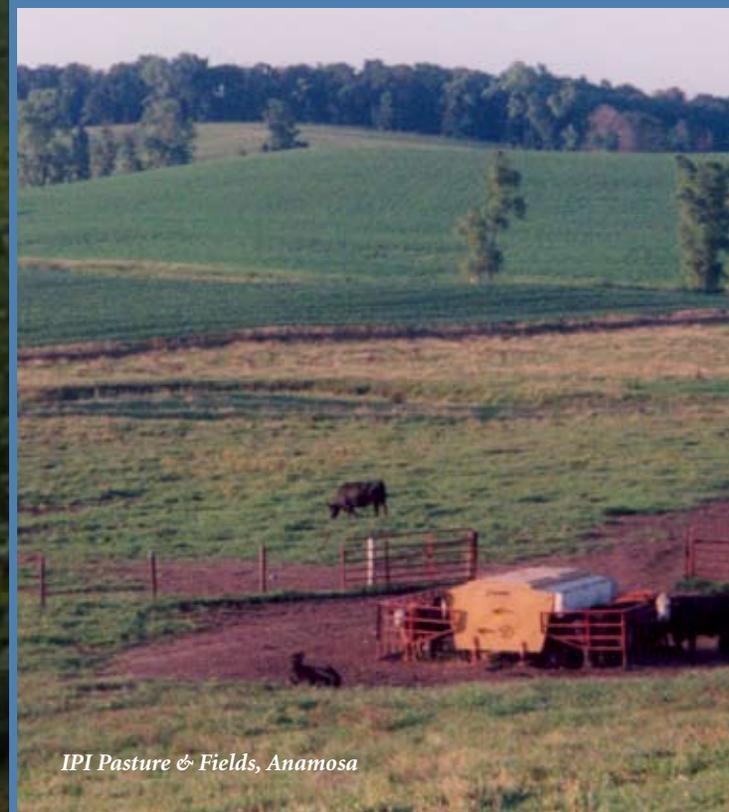
The inmate's employer shall provide each employed inmate with the withholding statement required under section 422.16, and any other employment information necessary for the receipt of the remainder of an inmate's payroll earnings.



IPI Cornfield & Buildings, Newton



IPI Cattle, Anamosa



IPI Pasture & Fields, Anamosa

IPI Farms

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

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

**IPI Farms provided 13,946 hours
of inmate contact last year.**

Organic Farms:

Legislative mandate: Explore and report feasibility of organic farms.

- IPI's first purely Organic Farm is located at Fort Madison; this transition to organic started in 2003-2004. In 2008, we had 47 acres in the program:
 - 35 acres of organic hay (yielded 163 big round bales and 100 big square bales)
 - 12 acres of transitional hay
- We continue to have a hard time locating a market for our organic hay since the relative feed value of the hay is too low to meet the quality needed to feed dairy livestock. The only way to increase the relative feed value would be irrigation and high recommendations of fertilizer. We have also been told by Dr. Kathleen Delate at ISU that the Fort Madison organic farm is too far south to raise top quality organic hay. We continue to search for a market, but if we cannot receive a premium price for the hay, we are better off feeding it to the IPI cow herd.
- Organic Farms require certification and a great deal of record keeping must be maintained. Organic crop sales are highly dependent upon maintaining a crop chemical free from any foreign contamination.

No funding will be required from the legislature.

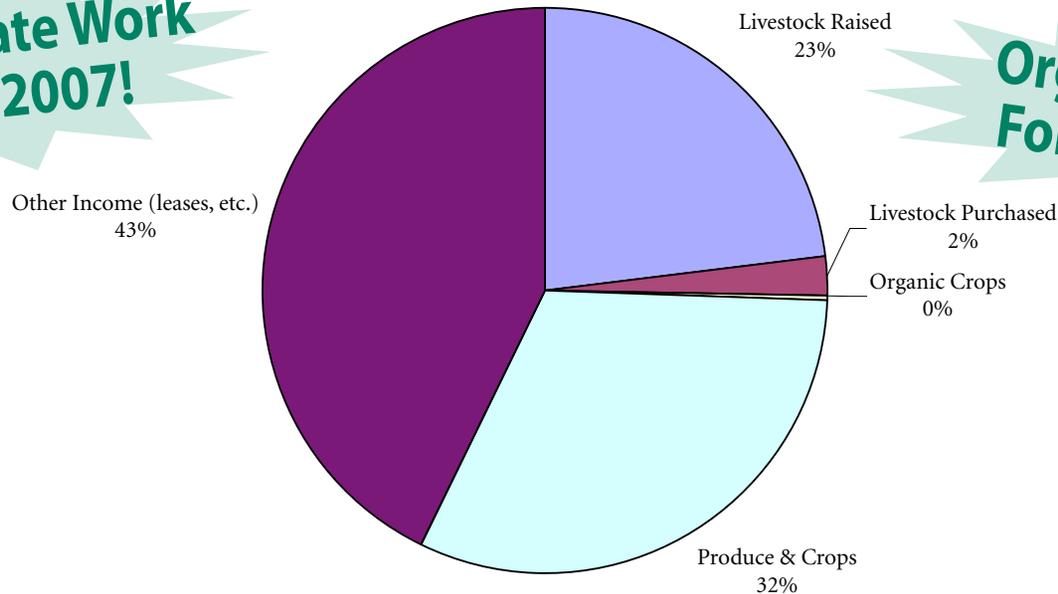
IPI Farms

Financial Data

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Farm Sales										
Sale of Livestock Raised	\$231,029	\$120,799	\$127,556	\$106,135	\$76,797	\$176,662	\$181,748	\$215,806	\$201,448	\$210,622
Sale of Livestock Purchased	\$22,612	\$200,596	\$195,575	\$209,629	\$273,268	\$211,877	\$33,513	\$24,160	\$22,789	\$19,412
Sale of Organic Crops									\$581	\$3,313
Sale of Produce & Crops	\$190,524	\$127,191	\$96,305	\$155,669	\$157,797	\$138,973	\$180,427	\$193,043	\$199,819	\$290,407
Other Income (Leases, etc.)	\$257,240	\$323,458	\$370,470	\$392,952	\$366,029	\$412,311	\$388,409	\$372,637	\$402,298	\$391,277
Total All Farms	\$701,405	\$772,044	\$789,906	\$864,385	\$873,891	\$939,823	\$784,097	\$805,646	\$822,935	\$915,031
Profit/Loss	\$(103,160)	\$162,624	\$211,400	\$134,750	\$161,075	\$(4,337)	\$123,643	\$80,287	\$119,797	\$219,589

IPI Farms operate on a calendar year.

13,946 Inmate Work Hours In 2007!



Organic Crops: Fort Madison!

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

IPI Farms

Historical Data

Average Yields (Per Acre)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Corn	147	112	104	143	145	126	148	178	127	151	165	166
Bean	48	44	43	43	43	45	35	50	54	45	41	50

Average Prices Received	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Corn - IPI Farms Average	\$1.77	\$1.88	\$1.82	\$1.87	\$2.30	\$2.06	\$2.54	\$2.05	\$2.14	\$3.65	\$4.96
Bean - IPI Farms Average	\$5.25	\$4.43	\$4.60	\$4.14	\$4.96	\$5.71	\$7.21	\$5.41	\$5.51	\$8.43	\$9.61
Corn - Iowa Average	\$1.86	\$1.72	\$1.75	\$1.90	\$2.22	\$2.37	\$1.99	\$1.85	\$3.03	\$4.00	
Bean - Iowa Average	\$4.79	\$4.53	\$4.49	\$4.35	\$5.54	\$7.70	\$5.76	\$5.45	\$6.58	\$10.90	

Calf Sales	2003	2004	2005	2006	2007	2008
Number of Head Sold	214	255	281	270	287	307
Average Weight	446	485	505	507	513	506
Average Price/CTW	\$1.18	\$1.40	\$1.40	\$1.38	\$1.31	\$1.21

**Calf/Cattle program started in 2003*



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
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Des Moines, IA 50319
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Printed By Male Offenders At
The Anamosa State Penitentiary
At A Cost Of \$5.75 Each.