



Annual Report FY2017

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;
- 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;
- d)** Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.

Letter From The IPI Director



Each year, more than 5,000 men and women are released from Iowa's state institutions. About one-third will return to prison within three years, which is one of the lowest recidivism rates in the nation. At IPI, our job is to reduce this number even further, and we do this by providing work training opportunities.

It's been well established in Iowa and across the country that work training and vocational education are among the most effective programs in reducing the propensity to re-offend. And it's easy to see why – a man or woman released from prison that doesn't have any good job prospects is much more likely to return to the behaviors that put them in prison in the first place. Many offenders training with IPI have never held a responsible job. They might lack the required skills such as showing up for work on time, producing quality products and working as a team. Through training, IPI offenders earn work and life skills as well as specialized vocational skills such as welding, woodworking, forklift operation and several more.

Each day, nearly 600 offenders work on positive and productive tasks such as producing high-quality furniture, clothing, signs, and other valuable products for IPI's customers. Jobs with Iowa Prison Industries are desirable; there is always a waiting list to get into the program. IPI provides a system of rewards, as well as penalties, that correctional staff can use to manage inmate behavior. With busy hands and minds, the offenders require less supervision and have less time to engage in counterproductive activities. Offenders are more likely to be hired into a job and less likely to return to a life of crime. As a result, IPI helps reduce the number of crime victims, and the cost to incarcerate repeat offenders.

In addition to making our state safer, the IPI program is helping to address a lack of skilled workers. Iowa Prison Industries provides valuable skill-oriented work training experiences to Iowa offenders, so they become productive members of society upon release. Iowa is a national leader in offering registered apprenticeship

opportunities, and we want to keep the momentum going. Our Future Ready Iowa goal is for 70 percent of the state's workforce to have education or training beyond a high school education by the year 2025. Iowa Prison Industries is aligned with this goal.

The Iowa Department of Corrections and IPI offer 19 apprenticeship programs. While incarcerated, offenders can learn new skills such as welding, manufacturing, forklift operation, woodworking and other job skills needed by Iowa employers. Through the registered apprenticeship programs, offenders earn certifications for combining on-the-job training with related classroom instruction. Apprenticeships are a win-win for Iowa's offenders, the businesses that hire them for skilled work, and Iowa's economic growth. IPI's programs are not just effective – they are cost effective as well. IPI is a self-funding program that doesn't receive any appropriations from the state government.

During the FY2017, IPI continued on its Lean Manufacturing journey. Our manufacturing system (PIMS) is based on the Toyota Way. Over the past year, we have become more comfortable and familiar with PIMS in IPI shops. PIMS makes the workplace safer, more efficient, and improves our ability to deliver value to our customers.

Financially, IPI's traditional industries sales improved 1 percent since FY2016 to \$24.5 million, and Net Sustainable Income grew to \$79,069. IPI Farms reported an estimated \$1.7 million revenue, which is a 24 percent decline from the previous year. Net Sustainable income fell by \$461,071 since last year. This was due to lower commodity prices of farm products.

During the FY2018, IPI promises to provide excellent customer service and the high-quality products we are known for. We will also continue our focus on valuable work-training opportunities to Iowa offenders so they can have a second chance at a better life.

From all of us at IPI, please review and enjoy our FY2017 Annual Report.

In Memory

The Anamosa IPI team lost a dear friend and co-worker with the passing of Senior State Industries Technician Darin Jarding. Darin, age 48, died as a result of injuries from a tractor accident on May 31, 2017.

Darin touched the lives of many staff, offenders, and customers throughout his time at IPI. Always ready to help out wherever needed, you could find Darin performing on-site installations, working in the Anamosa warehouse, or providing coverage in any of the Anamosa productions shops.

Darin liked to tinker on things, repairing old machines, cleaning them up, and leaving it better than when he found it. His greatest joy was his children.

Our thoughts and prayers go out to Darin's family, including his four children.



IPI Advisory Board



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Board Chair
Drake University (Retired)
West Des Moines



Robert Carr
DOC Representative &
Board Vice-Chair
Former Iowa Senator
Dubuque



Jennifer Gardner
Agricultural
Representative
Farmer & Teacher
Douds

The Iowa Prison Industries Advisory Board plays a key role in the success of IPI. The board approves new business ventures and the overall operating plans of IPI for all three segments: Traditional Industries, IPI Farms, and Private Sector. In addition, the Board provides expert advice to the Director and staff of IPI.



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IPI Management Team



Ann Pollock
Chief Financial
Officer



Robert (Bob) Fairfax
Sales & Marketing
Manager



Mike Lynch
Farms Director

The Management Team ensures that IPI provides meaningful work training for offenders, while remaining self supporting. As with private corporations, IPI managers must deliver the price, quality and service that customers demand. They are also responsible for financial management, including budgeting, sales analysis, and expense control.



Becky Bessine
Fort Madison Plant
Manager
Mount Pleasant
Plant Manager



Justin Opfer
Mitchellville Plant Manager
Newton
Plant Manager
Fort Dodge Plant Manager



Al Reiter
Anamosa Plant
Manager
Rockwell City Plant
Manager



Clint Schmidt
Des Moines
Operations
Manager

Offender Work Training

Work training at Iowa Prison Industries benefits the state to make it a safer, more productive place for everyone. From the participating offenders, to the citizens and employers of Iowa, work-training at IPI stimulates the economy by providing ready-for-hire skilled workers while reducing recidivism rates.

How IPI Benefits Offenders:

Unemployment is one of the most difficult challenges ex-offenders face. When applying for jobs, most applications require a person to check a box asking if they have ever been convicted of a felony. Many employers will throw out an application just because the box is checked.

Several offenders have limited education and have never held a real-world job before. With a felony on their record and minimal work skills, ex-offenders can become stuck in a situation where they cannot find a good income source, so they return to their crimes.

Iowa Prison Industries wants to see offenders have successful reentry. Our goal is to make sure they have the skills they need to be successful in the workforce. We also aim to help employers look past the stigma associated with ex-offenders.

At IPI, offenders are developing real-world skills and safe working habits. Each day, they are building hard skills such as welding, woodworking, sewing, computer skills, warehousing, etc. These are physical skills learned at IPI and are directly transferable to Iowa jobs.



Offenders are gaining soft skills, too, such as self-confidence, responsibility and getting a taste for reintroduction into society. They learn basic but necessary skills like the importance of being punctual. Offenders at IPI develop self-worth by setting and achieving goals and are often given chances to become leaders and work in a team environment.

While employed at IPI, offenders are given the opportunity to enroll in apprenticeship programs that further build upon their skills. The apprenticeship program gives offenders



certifications for mastering skills. This gives them an extra edge when applying for jobs. Offenders also learn how to create resumes as well as how to apply and interview for jobs.

How IPI Benefits Everyone:

A job at IPI holds value to employers. Our nation is currently facing a critical shortage of skilled workers, so it is important Iowa employers hire people they know can get the job done right. Some IPI employees have jobs lined up for them while they are still in prison. This allows offenders to support themselves immediately upon release.

An unemployed ex-offender is four times more likely to return to prison than one who is employed. An employed ex-offender has the opportunity to make money the right way, has productive tasks to occupy their time and is less likely to fall back into old habits. This results in a safer Iowa with less crime.

IPI is great for Iowa's economy, too, because it is 100 percent self-funding. No taxpayer money is used to train Iowa's offenders in these skill sets. Instead, offenders are more likely to be released from prison and become taxpaying citizens themselves.

IPI benefits the DOC by keeping incarcerated offenders busy and out of trouble. The offenders are supervised by IPI staff during the work day, so Iowa taxpayers and the DOC save money on staffing costs.

Offenders employed at IPI have an 8 percent lower recidivism (return to prison) rate than non-IPI offenders. This is how we know the work we do at IPI really is making a difference for Iowa's offenders, the safety of Iowa's people and the bettering of Iowa's economy.

The Apprenticeship Program

In Iowa's prisons at IPI, offenders have the opportunity to earn certifications and awards in a specific field while incarcerated. Through the Iowa Department of Corrections' (DOC) registered apprenticeship program, offenders are provided with on-the-job-learning (OJL) as well as registered training instruction.

Apprenticeship Coordinator, Tim Diesburg said, "If we teach them to be successful while they are incarcerated, they can definitely be successful when they are a returned citizen."

Across all of the Department of Corrections, there are currently 19 programs offered in Iowa's prisons. Of those programs, 10 include on-the-job training in IPI shops:

1. Housekeeper
2. Screen printer
3. Upholsterer
4. Materials coordinator
5. Computer operator
6. Welder
7. Sewing machine repair
8. Cabinet maker
9. Fabricator-assembler metal production
10. Electrostatic powder coating technician



Apprentices from IPI are trained to become highly skilled workers that can meet the demands of Iowa employers once released. IPI's apprenticeship program is licensed by the US Department of Labor as a recognized tool for successful reentry into society.

The apprenticeship program started out at the Anamosa State Penitentiary in February 2014 as a pilot program. At first, there were four specialties: cabinet making, computer operation, cook/food service and welding. Thirty-seven offenders were registered in the program.



By the end of 2015, offender apprenticeship programs expanded across Iowa and vocational training was offered in all nine Iowa prisons. At the end of FY 2017, 331 offenders were enrolled in 19 different apprenticeship programs across the state. Since January of 2014, IPI apprentices have earned 2,061,678 hours of OJL total. So far, 92 offenders have completed their apprenticeship programs.

In order to be accepted into the apprenticeship program, offenders must have (or be in the process of earning) a high school diploma or equivalent. Training through IPI is voluntary. Offenders must apply for the apprenticeship program and become selected just like in the real world.

Each day, IPI apprentices are working towards certifications that will allow them to become contributing members of society once released. While working as an IPI apprentice, offenders learn to set and exceed goals while building work skills as well as self-worth and confidence. The registered apprenticeship programs give offenders a second chance at a successful life.



Anamosa

Anamosa is IPI's largest operation. The IPI shops at the Anamosa State Penitentiary include eight manufacturing shops: braille, custom wood, filters, graphic arts, housekeeping and laundry, license plates, metal furniture, and sign. Each shop is responsible for its own budget, sales, and profit/loss. With so many shops to choose from, offenders at Anamosa have the opportunity to master one or multiple skills while serving time in prison.

During FY2017, 35 offenders were enrolled in the apprenticeship program at the Anamosa State Penitentiary while working at IPI. Twelve offenders graduated from the Anamosa IPI apprenticeship program during FY2017.

License Plates:

The License Plate shop produces over 1.2 million license plates annually for the Iowa Department of Transportation. This small but efficient shop provides all the license plates in Iowa for cars, motorcycles, and trailers.

Since offenders at the IPI License Plate Shop work mainly on the computer, several are working toward a computer operation certification through the apprenticeship program. Offenders at the shop also learn warehouse skills by packaging and preparing the license plates for shipment.



FY2017 Anamosa Apprenticeship Stats

IPI Active Programs:

- Cabinet maker
- Computer operator
- Electrostatic powder coating tech
- Fabricator-assembler metal producer
- Housekeeper
- Screen printer
- Welding

IPI Offender Apprentices Earned:

- 187,096 OJT hours
- 6,930 curriculum hours

Offender Training:
Average Trainees: 11
Total Training Hours: 22,082



Warehouse:

The IPI Warehouse in Anamosa is in charge of all deliveries for the Anamosa shops. The department is also in control of receiving and inspecting raw materials for the shops. At the warehouse, offenders are getting a taste of real-world warehouse operation. Offenders pick and fill customer's orders from the warehouse stack. They also load and unload trucks for shipment. Everyday, offenders at the IPI warehouse are building upon their organizational and time management skills that can one day be transferred to a warehouse job outside of prison.

Custom Wood:

In the IPI Custom Wood Shop, staff and trainees produce one-of-a-kind custom products for IPI's customers. Even though many of the products produced at the shop are unique, there are standard work documents regarding procedures and safety in place for every machine.

The products from the Custom Wood Shop are produced with high-quality materials by skilled IPI craftsmen to provide beautiful, long-lasting furniture to our customers. Several IPI employees at the Custom Wood Shop are working toward, or have already earned, their cabinet maker apprenticeship certification.

At the Custom Wood Shop, offenders are given the opportunity to work with modern equipment that is found in any cabinet shop. Most offenders learn all the stages of woodworking and machinery. Some offenders can learn CAD (Computer Aided Drawing), how to build a bill of materials, and project estimating skills. The skills offenders are gaining at the Custom Wood Shop allow them to get a job in whatever woodworking field they choose upon their release.



Offender Training:
Average Trainees: 17
Total Training Hours: 38,695



Offender Training:
Average Trainees: 30
Total Training Hours: 107,574

Filters and Housekeeping/ Laundry:

The IPI Filters and Housekeeping/Laundry Shops share a floorspace at the Anamosa State Penitentiary. Offenders in both shops learn manufacturing skills, inventory control and packing and shipping of products. They develop workplace safety skills and learn about Lean Manufacturing.

At the Filters Shop, offenders learn to produce filters with a variety of materials in different shapes and sizes. An offender in this shop can earn a computer operation certification through the apprenticeship program.

At the Housekeeping/Laundry Shop, offenders mix chemicals and fill bottles with cleaning supplies. They get a taste for a real-world warehouse environment while filling orders, creating SDS paperwork, labeling bottles and organizing the products for IPI's customers.

Braille:

The offenders employed by the IPI Braille Shop produce braille books and documents for sight-impaired school children. They learn to transcribe math, music and literary materials into braille.



Offender Training:
Average Trainees: 29
Total Training Hours: 62,344

The IPI transcribers are trained for many years to proofread and earn certifications in this shop. The employed offenders are certified by the Library of Congress - National Library Services for the Blind and Physically Handicapped in literary braille, Nemeth Code for mathematics, music braille, and literary proofreading. Guidelines require offenders train for six months to a year to become certified in each skill.

Since most of the work done at the Braille Shop takes place on the computer, offenders are developing computer operation skills. Here, offenders are learning to balance a heavy workload with quick lead times. Offenders also learn to repair braille equipment.

The Braille on Demand (BOD) program is a resource for Iowa's school teachers to get materials transcribed into braille within 24 to 48 hours for their students. In the 2016-2017 school year, the Braille Shop filled nearly 500 BOD orders.

Graphic Arts:

The IPI Graphic Arts Shop provides services such as printing, binding, and mailing. Here, offenders are trained to work in a full-service print shop that can produce nearly any printed piece imaginable from single color envelopes to full-color catalogs.

The offenders at this location learn skills such as layout design, production, preparation of files for printing, operation of printers, traditional press printing, and digital printing. Offenders have the opportunity to earn apprenticeship certifications in computer operation at this shop. In November 2017, The DOC plans to add a Job Printer apprenticeship to the Graphic Arts Shop.



Offender Training:
Average Trainees: 14
Total Training Hours: 28,661



Offender Training:
Average Trainees: 51
Total Training Hours: 107,574

Metal Furniture

The Metal Furniture Shop creates all sorts of products from bike racks and park benches to lockers and desks and everything in between. IPI trainees in the Metal Furniture Shop provide furniture for a variety of government-run organizations such as schools, colleges, government offices, and parks. The K-12 school market makes up 68 percent for all of the shop's sales.

Similarly to the Custom Wood Shop, offenders at the Metal Furniture Shop can be trained on the computer in CAD design. On the computers, they learn project estimating skills, manage inventory, process orders and record data to make sure the shop runs as efficiently as possible.

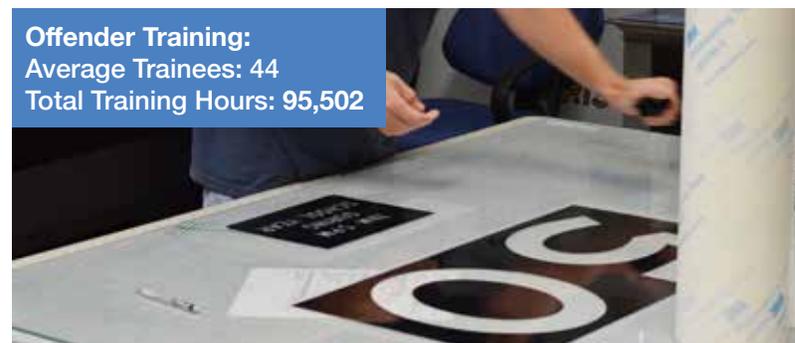
Offenders at this Anamosa shop have a variety of apprenticeship programs to choose from: welding, metal fabrication, computer operation and electrostatic powder coating tech. Even offenders who choose not to take advantage of the apprenticeship program can still build upon all of the skills listed to one day work in a welding and assembly career.

Sign

The IPI Sign Shop is one of Anamosa's largest in terms of sales and offender work hours. The shop's most frequent customers are city and county agencies. Offenders at the Sign Shop produce basic street signs such as regulatory signs, warning signs, school area signs, street markers, DNR signs and much more. The shop can make custom signage as well. The employees are capable of designing and producing nearly any sign or banner a customer can imagine.

The Sign Shop fills thousands of orders every year, so there are a multitude of different departments. Offenders at this location are trained in layout design, digital printing, screen printing, and fabrication. There are also employees in charge of production management that perform tasks like shipping, receiving and inventory control.

While here, offenders can work as metal fabrication, computer operator, and screen printing apprentices. They learn valuable time management skills, scheduling skills, and teamwork skills.



Offender Training:
Average Trainees: 44
Total Training Hours: 95,502

Rockwell City

Welding/Metal Production:

The offenders at the IPI Welding/Metal Production Shop learn welding techniques while producing a variety of large metal products such as grills, park benches, and docks. Welding is an in-demand job field in Iowa because there is a current lack of skilled welders. Offenders at this location learn other hard skills such as forklift operation, electrostatic power coating, painting, computer operation, data entry, assembly of metal parts, etc.

IPI offenders use layouts, blueprints and work orders to weld metal components together for machine parts, plant



equipment, motors, and generators. They learn to identify and repair problems with inspection equipment. Offenders in the welding apprenticeships master different welding techniques such as gas welding or brazing and the arc welding processes. They learn to locate and repair cracks in engine cylinder heads, thermal cutting and grinding and

to position clamps together on fabricated metal products before welding.

The Welding/Metal Production Shop teaches offenders to refurbish old equipment such as snow plows, truck beds, trailers and other large equipment to like-new condition. The refurbishing program offers IPI's customers a low-cost alternative to purchasing new equipment. The customers' restored equipment can be used longer and will have improved safety and reliability, all while giving Rockwell offenders hands-on experience.

FY2017 Rockwell City Apprenticeship Stats

Active Programs:

- Fabricator-assembler metal producer
- Welding
- Computer operator
- Electrostatic power coating tech

Offender Apprentices Earned:

- 43,396 hours
- 2,650 curriculum hours

Several employees at the shop work as computer clerks. In this position, offenders gain computer skills by working with up-to-date computer softwares that an incarcerated person would not have access to otherwise. Computer clerks run and maintain IPI's databases, keep track of employee hours, order parts, make sure the floor is stocked with equipment the welders need, organize IPI's incoming order control and so on.

Offenders have the opportunity to gain leadership while employed here. A lead welder has their own projects to work on, but helps other offenders if they have questions about their projects. Giving an offender leadership when they have earned it builds their confidence and self-satisfaction. IPI tries to teach offenders that if they are successful in their work while incarcerated, their hard-work is rewarded and they can be successful upon re-entry too.



Offender Training:
Average Trainees: 16
Total Training Hours: 32,626

Mitchellville

The IPI facilities at Mitchellville consist of three main manufacturing shops: Panels & Seating, Textiles, and Plastics. Since Mitchellville is an all-woman prison, these IPI shops only employ female offenders. The shops operate exactly like a real warehouse with shipping, receiving, quality control and a production line. Offenders who leave Mitchellville IPI are given resources and recommendations to help them get a head start in the job market.

Panels & Seating:

The IPI Panels and Seating Shop produces office chairs, lounge seating, stacking chairs and modular panel systems. The shop employs offenders who perform different steps of the production process.

Panels & Seating clerks are in charge of the early steps in the order process. Since nearly all IPI seating is assembled and distributed from Mitchellville, clerks receive and distribute inventory from other shops. They check inventory, prepare purchase requisitions for parts and other materials, map quotes for customers and help with the pre-order process.



Offender Training:
Average Trainees: 14
Total Training Hours: 28,605

FY2017 Mitchellville Apprenticeship Stats

Active Programs:

- Housekeeper
- Upholsterer

Offender Apprentices Earned:

- 7409 hours
- 690 curriculum hours

When getting fabric ready for furniture pieces, offenders employed by the production department learn to follow sewing patterns and cut fabric. They get all of the pieces ready for the next step of the process: assembly.

Chair kits come into Mitchellville from a variety of vendors, including other IPI shops at other locations. The offenders at Mitchellville assemble and upholster the Panels & Seating products. The offenders trained in furniture assembly develop excellent comprehensive skills from reading and following assembly instructions. This department also works in the final steps of the production process, packaging, and shipping.

Offenders can earn their upholsterer certification at this location to further develop skills such as framing and design. The apprenticeship requires 4,000 OJL hours at IPI supplemented with 300 hours of related instruction. The production environment at the Panels & Seating Shop is helping offenders prepare for similar production jobs that will help them with re-entry.

Textiles:

Offenders in the IPI Mitchellville Textile Shop produce nearly all of IPI's textile products. They develop in-demand textile skills such as cutting fabric, sewing, stitching, hemming, embroidery, and garment printing. The women also learn to attach tags, buttons, and pockets. Offenders in this shop gain a knowledge of Lean Manufacturing by setting up and maintaining efficient production lines.

The offenders gather experience on a variety of different machines and stations. This way, the production line always has someone trained at every station, and the offenders utilize their time at IPI by gaining multiple warehouse experiences and skills. Offenders learn to manage inventory, too. Some are trained to record and reorder inventory for the shops. Just like a warehouse in society, offenders learn the ins and outs of inventory management.

Some offenders employed by the Textiles Shop work primarily on the computer. They know how to take a sample pattern, digitize it and transform it into a larger copy of the fabric that can be used for all sizes of clothing.

Plastics:

IPI's bags are made from a stronger, more tear resistant material than bags sold by competitors. IPI's customers know they are getting a high-quality product at a great price. The offenders in the IPI Plastics Shop can produce trash can liners, food packaging, laundry bags, highway pickup bags, custom bags, and more.

Here, offenders use a machine to turn rolls of plastic material into different sized plastic bags made out of a variety of plastic materials. The shop is small, typically employing just a handful of offenders. Besides learning to operate the bag machine, offenders learn packaging and inventory



Offender Training:
Average Trainees: 16
Total Training Hours: 33,937

The Mitchellville Textiles facility has partnered with Iowa State University's Apparel, Merchandising and Design classes for several semesters. The students enrolled in the ISU courses help the shop come up with new pattern designs as well as ways to produce them on the line.

A few offenders work with picture framing. When a customer places an order, the offenders working in the picture framing department quote the project, mat, and frame the pictures. There is also the data archiving department where offenders scan paper records for organizations and file them onto a disk.



Offender Training:
Average Trainees: 4
Total Training Hours: 8,938

management. The offenders in the Plastics Shop work together to efficiently fill customer's orders.

Central Canteen:

The Newton Correctional Facility is the home of the IPI Central Canteen. This shop is the first state-owned and operated central commissary in the nation. Here, commissary items such as snacks, toiletries, music and more are organized and supplied to all nine Iowa penitentiaries.

The facility fills an average of 1,000 orders each day or 5,500 orders a week. With 38 offenders employed, the Central Canteen has filled over two million orders since it's opening in July 2001. Other states have toured IPI's canteen and eventually opened their own.

Through the IPI Central Canteen Catalog, customers can choose to order:

- Over 200 assorted food products
- Over 300 textile products
- Over 200 hygiene products
- 45 clear electronics
- 86 medical products

At this location, most offenders work on an assembly line to fill customer's orders. They learn to quickly and efficiently fill and pack orders while working in a team environment. They are given the opportunity to work in different "stores" on the assembly line based on seniority and work ethic. Dock workers load and unload trucks, make sure the loading dock is clean and organized, and count the inventory as it comes in and goes out of the shop.



Offender Training:
Average Trainees: 37
Total Training Hours: 75,453

FY2017 Newton Apprenticeship Stats

Active Programs:

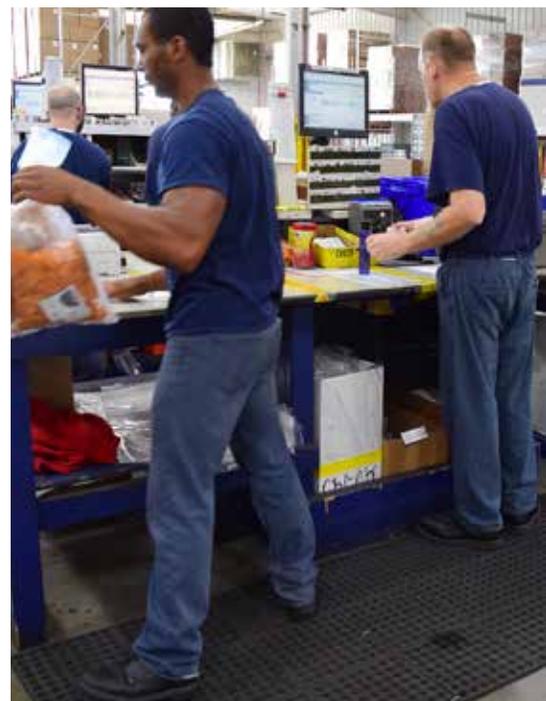
- Computer operator
- Material coordinator

Offender Apprentices Earned:

- 17,934 hours
- 1,805 curriculum hours

Some offenders at the Central Canteen work solely on the computer as data entry clerks. The clerks input data into IPI's computerized inventory management system, identify and evaluate vendors, authorize payments, track the status of the orders, etc., all while communicating with the employees on the assembly line.

Employees at this shop can earn materials coordinator certifications through the apprenticeship program. This occupation requires 4,000 hours of OJL supplemented with 325 hours of related instruction. Material coordinator apprentices learn about packaging, computers, conveyors, process controls, industrial safety and more valuable skills necessary for real-world assembly and industrial jobs.



All employees at the IPI Central Canteen work vigilantly to fill the thousands of orders they receive each week. Each job title serves a purpose. Overall, IPI employees at the Central Canteen are learning time management skills, communication skills and customer service skills that will benefit them upon re-entry.

Fort Dodge

Textiles:

Offenders at the IPI Fort Dodge Textile Shop learn Lean Manufacturing in order to produce jeans with minimal errors and maximum quality. Each day they work a one-piece flow to efficiently produce 100 pairs of denim jeans for the incarcerated across Iowa. This shop also produces denim jackets.

Many offenders who start on the production line have never used a sewing machine or held a manufacturing job before. Employment at Fort Dodge teaches offenders new trades that they can put to use upon released back into society. The offenders have the opportunity to build these skills even further with a certification through the sewing machine repair apprenticeship.

Offenders learn different forms of stitches, how to operate several machines, cut patterns, attach buttons, and how to clean and care for the tools and machinery at this location. The offenders on the production line learn soft skills such as communication and teamwork by working with other employees on different steps of the processes.

In the shop, offenders build a strong work ethic. Shop management instills incentives and opportunities for leadership to motivate its IPI employees. If an offender has an idea to improve efficiency, they can suggest it to management to potentially earn a bonus pay amount.



Offender Training:
Average Trainees: 25
Total Training Hours: 37,648

FY2017 Newton Apprenticeship Stats

Active Programs:

- Computer operator
- Sewing machine repair

Offender Apprentices Earned:

- 1,448 hours
- 1,515 curriculum hours

IPI Fort Dodge offenders can gain computer skills that they would not have access to otherwise. IPI computer clerks manage inventory, sales orders, and purchase requisitions, all while making sure the information gets to the men on the floor. Computer clerks can become computer operator apprentices which requires 6,000 hours of OTJ learning supplemented by 570 hours of related instruction. This apprenticeship and the sewing machine repair apprenticeship usually take three years to complete.

Fort Dodge also includes a call center. Here, offenders work on the computer with headsets and make calls for an Iowa-based ministry organization. They learn telemarketing skills that can help them get a job in a call center, sales or customer service related job field after their release.



All of the offenders at this location are building skills relating to production, business operation, and sales.

Fort Madison

Fort Madison is one of the newest IPI facilities in operation opening its doors at the Iowa State Penitentiary in September 2016. Since the facility is new, the implementation of Lean Manufacturing has been embraced across all IPI shops in the facility. The offenders at Fort Madison have always known Lean as the method for efficiency and will be able to take this knowledge into their future endeavors.

IPI Fort Madison is the largest advocate for continuous improvement methods. Other shops have initiatives in place as well, but Fort Madison seems to have embraced continuous improvement the most. Here, offenders submit ideas to management about ways to improve operations.

Wood Furniture:

The Fort Madison Wood Furniture shop can produce nearly any wood furniture item. From a single custom item, to a large order of multiple furniture pieces, offenders are trained to provide high-quality wood furniture. Most of the orders the shop receives are office furniture, dormitory furniture, and cabinetry. The shop typically employs about 60 offenders, but at peak times of the year the shop can employ up to 90 offenders.



A new offender at this location begins as a general employee developing basic woodworking skills. From there, they can go on to build custom, made to order furniture pieces for IPI's customers. Once an employee has a strong knowledge about how to physically build wood furniture, they can advance to become CAD designers. Offenders trained in CAD design draw up plans for furniture pieces.

FY2017 Fort Madison Apprenticeship Stats

Active Programs:

- Computer operator
- Cabinet maker
- Housekeeper

Offender Apprentices Earned:

- 26,962 hours
- 2,090 curriculum hours

They are rewarded with a bonus payment for their good ideas depending on the impact of the idea.

Offender Training:
Average Trainees: 80
Total Training Hours: 166,612



This model allows offenders to work their way up inside a company, just like in the real world. If they want to take the work-training skills further, offenders at the Wood Furniture Shop can become computer, cabinetry and housekeeping apprentices.

Some offenders develop contractor skills by estimating large casework and millwork for construction projects. They learn how to read blueprints, examine casework elevations and create the bids.

Since Fort Madison homes more offenders serving a life sentence than other prisons, the shop employs several offenders who have long or life sentences. IPI gives these offenders the opportunity to become trainers and mentors to new employees if they have earned it. This is a great motivator for them to become better, more productive people and gives them hope that life isn't over.

Rice Hull Packaging:

The IPI Rice Hull Packaging operation has a contract with Hope Haven Area Development Center in Burlington, Iowa to supply 20,000 - 25,000 rice bags per week to a metal wheel manufacturing company. Rice hull is used as an industrial commodity in the steel industry. It is used as an insulator during steel manufacturing to prevent rapid cooling of steel and to ensure uniform solidification.

The offenders employed by the shop work to meet a quota between 4,000 and 5,000 packages each day. This teaches the offenders how to follow work procedures, track progress, be accountable and reach goals. The hulls are placed in bags, weighed, heat sealed and packaged. These skills will be transferable to Iowa jobs when the offenders are released into society.

Recycling:

IPI's Recycling operation is an offender workforce taken to the Greater River Regional Waste Authority daily. Here, the offenders work under close supervision and perform a variety of jobs. Some offenders pick up trash on landfill grounds. Others work on a conveyor line sorting and baling recyclables such as plastic, metal, glass, and cardboard. Some offenders process and ship the recyclables across the U.S. to different markets.



Offender Training:
Average Trainees: 7
Total Training Hours: 12,321



Offender Training:
Average Trainees: 6
Total Training Hours: 9,360

Mount Pleasant:

Some of IPI's largest orders come from colleges and universities requesting furniture for Iowa's dorm rooms. Since 2008, the Mount Pleasant facility has operated as a satellite location for Fort Madison to meet customer order deadlines for dormitory furniture. Typically the shop focused on loft beds and wardrobes, but it also assisted with other wood furniture orders as needed.

Offenders in Mount Pleasant acquired nearly all the woodworking skills needed to build furniture from start to finish.

Unfortunately, the Mount Pleasant IPI was closed in May 2017 due to lower expected sales of dorm furniture in coming years. IPI is actively looking for a new training program that is a good fit for the offenders at Mount Pleasant.



Offender Training:
Average Trainees: 26
Total Training Hours: 50,771

Des Moines

Des Moines Operations:

Des Moines Operations employs offenders from the Correctional Release Center in Newton. These offenders are expected to be released back into society in the near future. The operations consist of three work programs: Move and Install, Textile Services and Federal Surplus. All three programs share the offender workers.

The Des Moines move and install team provides a wide variety of manual labor services for IPI customers:

- Assembling and disassembling furniture
- Moving school, office and warehouse equipment
- Painting (interior and exterior)
- Landscaping and yard maintenance
- Interior demolition (removing carpet, flooring, walls, windows, etc)
- Cleaning
- Washing cars
- Inventory counting

Since these offenders are near the end of their sentence, move and install projects allow them to get a feel for the outside world and interact with customers face-to-face. This interaction is a great first step for the offenders as they prepare for reentry. They gain customer service, problem-solving and technical skills such as how to read blueprints, calculate measurements and how to use tools to put pieces together.

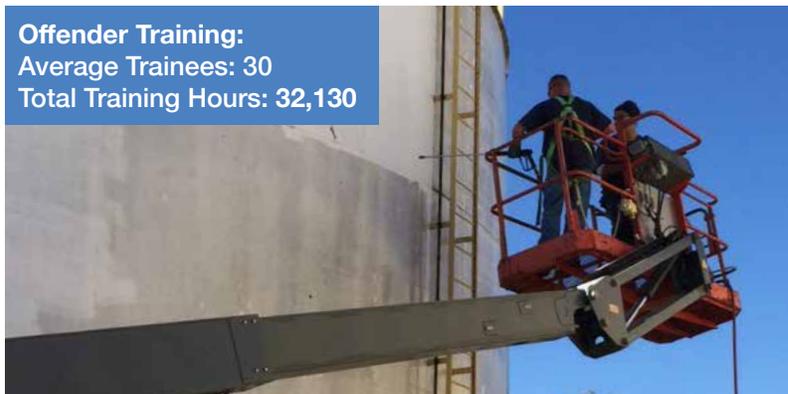
IPI Showroom:

The IPI Showroom offers customers a location to view products and meet with sales and customer service representatives. It is also the central location for IPI's marketing team. Since



Offender Training:
Average Trainees: 3
Total Training Hours: 4,908

Offender Training:
Average Trainees: 30
Total Training Hours: 32,130



Once a week, the staff and offenders from Des Moines Operations Textile Services travel to Iowa State University to deliver and pick up lab coats. The coats are laundered at the Des Moines Operations location and ironed at the IPI Showroom. Then they are returned back to the University.

The Federal Surplus provides excess federal property to eligible organizations within the state of Iowa. Organizations can obtain a variety of items through this program such as office furniture, construction equipment, tractors, exercise equipment and more. The offenders help with moving and delivering the items to IPI's customers.

December of 2016, offenders at the showroom have been developing new skills such as telemarketing and computer operation.

When a customer calls the showroom, an offender usually answers and directs the call to the appropriate customer service representative. The offenders are given different calling projects throughout the year. They memorize calling scripts, reach out to potential customers, record information in Microsoft Excel, and assist staff members with anything else they need.

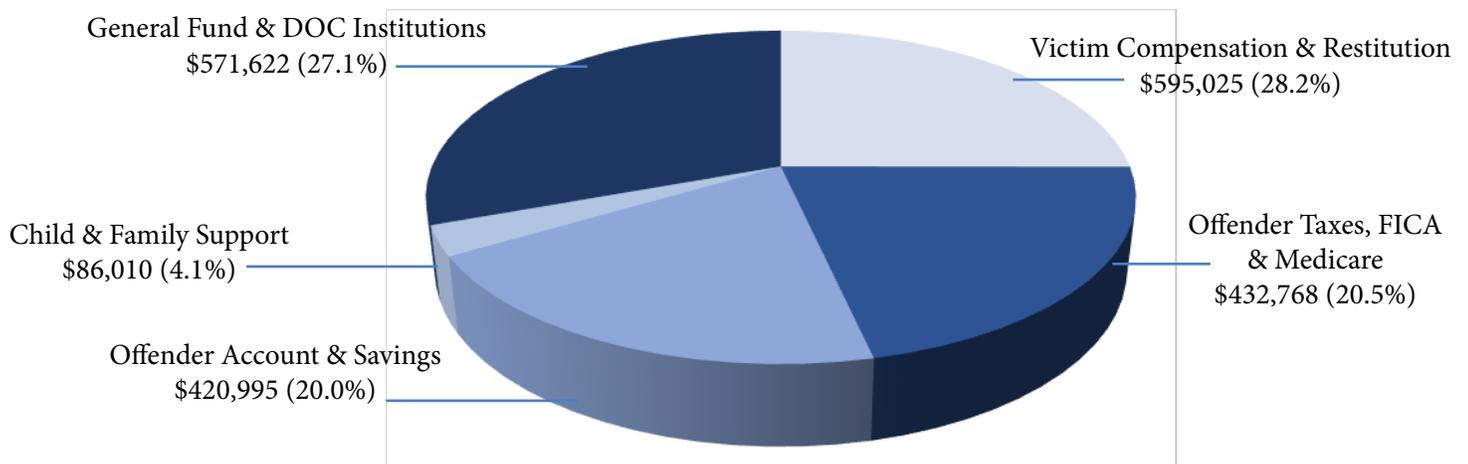
The offenders at this location are housed in ICIW's minimum live-out unit. The IPI Showroom helps transition them back into society because the job allows them to work with general members of the public. Every day, the offenders at this location are building confidence, experiencing a real-world office setting and expanding their customer service skills.

Financials

Private Sector

| | FY2017 | FY2016 | Increase/(Decrease) |
|--|----------------|----------------|---------------------|
| Total Hours Worked | 137,182 | 199,982 | (62,800) |
| Inmates Employed (FTE) | 82 | 93.7 | (11.7) |
| | | | |
| Gross Wages | \$1,467,873 | \$2,106,410 | (\$638,537) |
| Withholdings for Taxes, FICA & Medicare | 314,975 | 432,768 | (117,793) |
| Court Ordered Child & Family Support | 42,693 | 86,010 | (43,317) |
| Victim Compensation & Restitution Payments | 367,548 | 595,025 | 227,477 |
| Other Miscellaneous Deductions | 0 | 0 | (0) |
| Amount Paid to Inmate Account & Savings | 293,967 | 420,995 | (127,028) |
| Returned to Iowa's General Fund & DOC Institutions | 448,690 | 571,622 | (122,932) |

Wage Disbursement for Private Sector Offenders

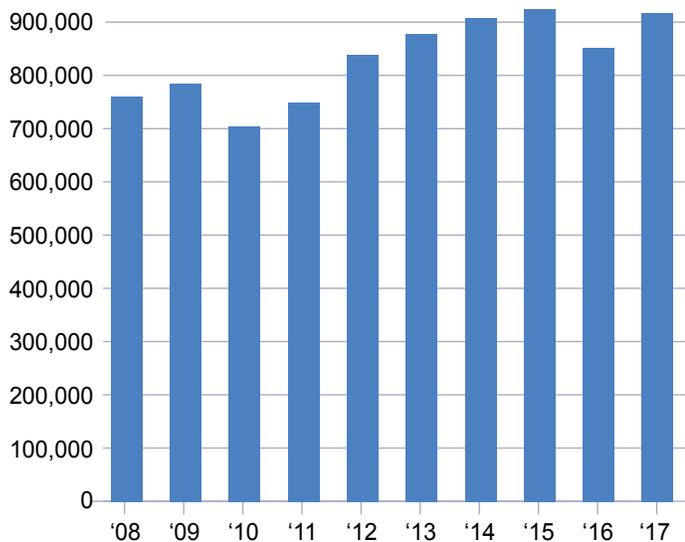


Financials

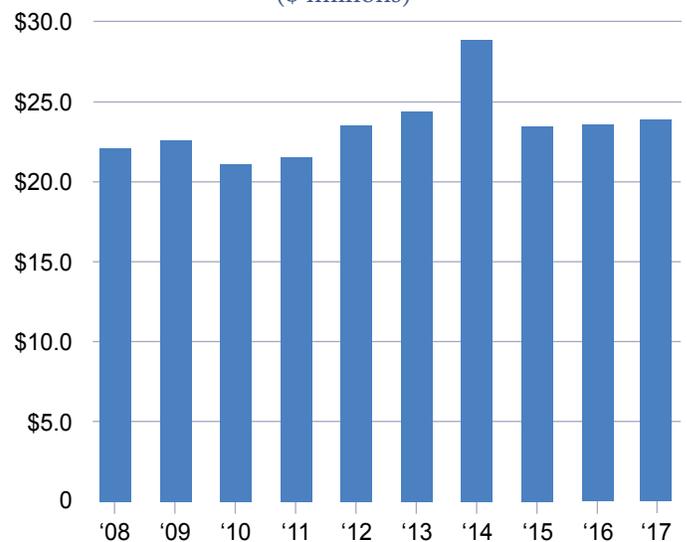
Traditional Industries

| | FY2017 | FY2016 | Increase/(Decrease) |
|--------------------------------------|-----------------|-----------------|----------------------------|
| Total Hours Worked | 912,474 | 862,592 | 49,881 |
| Inmates Employed (FTE) | 438.7 | 414.7 | 24 |
| Income Statement | FY2017 | FY2016 | Increase/(Decrease) |
| Sales | 24,483,727 | 24,441,934 | 41,793 |
| Costs of Goods Sold | 19,366,175 | 19,212,426 | 153,749 |
| Gross Profit | 5,117,552 | 5,229,507 | (111,955) |
| Operating Expenses | 4,179,872 | 4,418,620 | (238,748) |
| Canteen Redistribution | 858,611 | 748,013 | 110,598 |
| Net Sustainable Income/(Loss) | \$79,069 | \$62,874 | (\$16,195) |

Training Hours for IPI Traditional Industries



Net Sales for IPI Traditional Industries (\$ millions)



| Balance Sheet | FY2017 | FY2016 | Increase/(Decrease) |
|--|---------------------|---------------------|---------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash | 7,009,896 | 6,642,140 | 367,756 |
| Accounts Receivable | 3,741,548 | 2,415,226 | 1,326,322 |
| Inventory | 6,952,444 | 7,387,650 | (435,206) |
| Prepaid Expenses | 1,992 | 30,723 | (28,731) |
| Total Current Assets | 17,705,880 | 16,475,739 | 1,230,141 |
| Property, Plant & Equipment | | | |
| Land | 222,666 | 222,666 | 0 |
| Machinery & Equipment | 1,685,516 | 1,888,745 | (203,229) |
| Buildings | 6,127,295 | 6,373,347 | (246,052) |
| Vehicles | 197,795 | 271,620 | (73,825) |
| Total Property, Plant & Equipment | 8,233,272 | 8,756,379 | (523,107) |
| TOTAL ASSETS | \$25,939,152 | \$25,232,118 | 707,034 |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Accounts Payable | 1,680,354 | 1,050,668 | 629,686 |
| Deferred Revenue | 0 | 0 | 0 |
| Total Current Liabilities | 1,680,354 | 1,050,668 | 629,686 |
| Long Term Liabilities | | | |
| Accrued Vacations Payable | 552,747 | 549,391 | 3,356 |
| Accrued Sick Leave/Ret Pay | 190,421 | 195,497 | (5,076) |
| Total Long Term Liabilities | 743,168 | 744,888 | (1,720) |
| Total Equity | 23,515,630 | 23,436,561 | 79,069 |
| TOTAL LIABILITIES & EQUITY | \$25,939,152 | \$25,232,118 | \$707,034 |

Financials

Farms

| | CY2016 | CY2015 | Increase/(Decrease) |
|------------------------|--------|--------|---------------------|
| Total Hours Worked | 17,864 | 17,864 | 0 |
| Inmates Employed (FTE) | 8.96 | 8.96 | 0 |

| | CY2016 | CY2015 | Increase/(Decrease) |
|--------------------------------------|--------------------|------------------|---------------------|
| Income Statement | | | |
| Revenues & Gain/Loss on Inventory | 1,691,764 | 2,219,161 | (527,396) |
| Total Operating Expenses | 1,882,279 | 1,952,174 | (69,895) |
| Operating Income | (190,514) | 266,986 | (457,501) |
| Other Income/(Expense) | 26,765 | 30,336 | (3,571) |
| Net Sustainable Income/(Loss) | (\$163,749) | \$297,322 | (\$461,071) |

| | CY2015 | CY2014 | Increase/(Decrease) |
|--|--------------------|--------------------|---------------------|
| Balance Sheet | | | |
| ASSETS | | | |
| Current Assets | | | |
| Cash | 1,009,874 | 1,219,416 | (209,541) |
| Accounts Receivable & Other | 1,611,543 | 1,626,136 | (14,593) |
| Total Current Assets | 2,621,417 | 2,845,552 | (224,135) |
| Fixed Assets | | | |
| Vehicles & Buildings (net) | 771,603 | 722,303 | 49,300 |
| Total Mach/Equip/Purch Breeding Stock | 710,070 | 701,168 | 8,902 |
| Total Fixed Assets | 1,481,673 | 1,423,471 | 58,202 |
| Total Other Assets (Land, PPE, & Other) | 620,480 | 661,297 | (40,818) |
| TOTAL ASSETS | \$4,723,570 | \$4,930,321 | (\$206,750) |

| | | | |
|---------------------------------------|--------------------|--------------------|--------------------|
| LIABILITIES & EQUITY | | | |
| Total Current Liabilities | 139,339 | 164,523 | (25,184) |
| Total Long Term Liabilities | 65,362 | 83,179 | (17,817) |
| Total Liabilities | 204,701 | 247,702 | (43,001) |
| Total Equity | 4,518,869 | 4,682,619 | (163,749) |
| TOTAL LIABILITIES & EQUITY | \$4,723,570 | \$4,930,321 | (\$206,750) |

Products & Services from IPI

TOTAL SATISFACTION GUARANTEE

"We guarantee your Total Satisfaction on all purchases from Iowa Prison Industries! If you are unsatisfied with the quality of the materials or workmanship, we will adjust, repair or replace to YOUR satisfaction."
—Dan Clark, Director IPI



Seating

Executive, Conference, Office & Task, Guest, Stackable, Stool, Education, Lounge, Restoration



Parks & Recreation

Wood, Metal & Aluminum Seating & Tables, Trash Receptacles, Bike Racks, Grills, Docks & Piers



Offender Clothing & Textiles

Jeans, Scrubs, Jackets, Shirts, Undergarments, Mattresses, Bedding, Bath, Dietary Apparel, Laundry Bags



Plastic Bags

Biodegradable, Recycled Content, Printed, Biohazard, Food Storage



Chemicals & Cleaning Supplies

Green Seal Certified, General, Floor Care, Warewash, Laundry, Health Care, Germicidal



Library Furnishings

Circulation Desks, Bookcases & Shelving, Display & Storage, Tables, Seating



Printing / Graphic Arts

Newsletters, Calendars, Annual Reports, Brochures, Business Cards, Envelopes, Forms, Specialty Items, Mail Services, Rubber Stamps



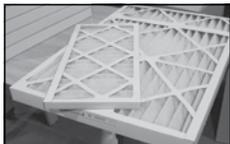
Braille Transcription

Book & Music Transcription, Duplication



Church Furnishings

Pews & Seating, Pulpits & Lecterns, Tables, General Furnishings, Furniture Restoration



Air Filters

Standard & High Capacity Pleated, Polyester Pad, Synthetic Pocket



Furniture Restoration

Wood Refinishing, Metal Refurbishing, Fabric Reupholstery



Desks & Tables

Wood & Metal Office Systems, Modular Office Systems, Desks, Conference, Computer, General Use, Folding



School Furnishings

Classroom, Computer Lab, Science Lab, Music Room, Library, Multi-Purpose, Office & Administration, Buildings & Grounds, Outdoor Equipment



Federal Surplus

Acquires & Makes Available to Iowa Organizations Excess Federal Vehicles & Equipment



Office & School Apparel

Embroidery & Garment Printing, Knits, Wovens, T-Shirts, Activewear, Outerwear, Headwear, Briefcases & Bags, School Uniforms



Filing & Storage

File Cabinets, Bookcases, Storage Cabinets, Cabinetry & Countertops



Detention Furnishings

Beds & Accessories, Mattresses, Seating, Tables, Dining Clusters, Storage



Moving & Install

Moving & Installation of Offices, Furniture, Miscellaneous Items



Signs & Decals

MUTCD, Street Markers, Destination, Recreation, School Spirit, Custom, ADA Pictograms, Decals, Vehicle Markings



Residence Furnishings

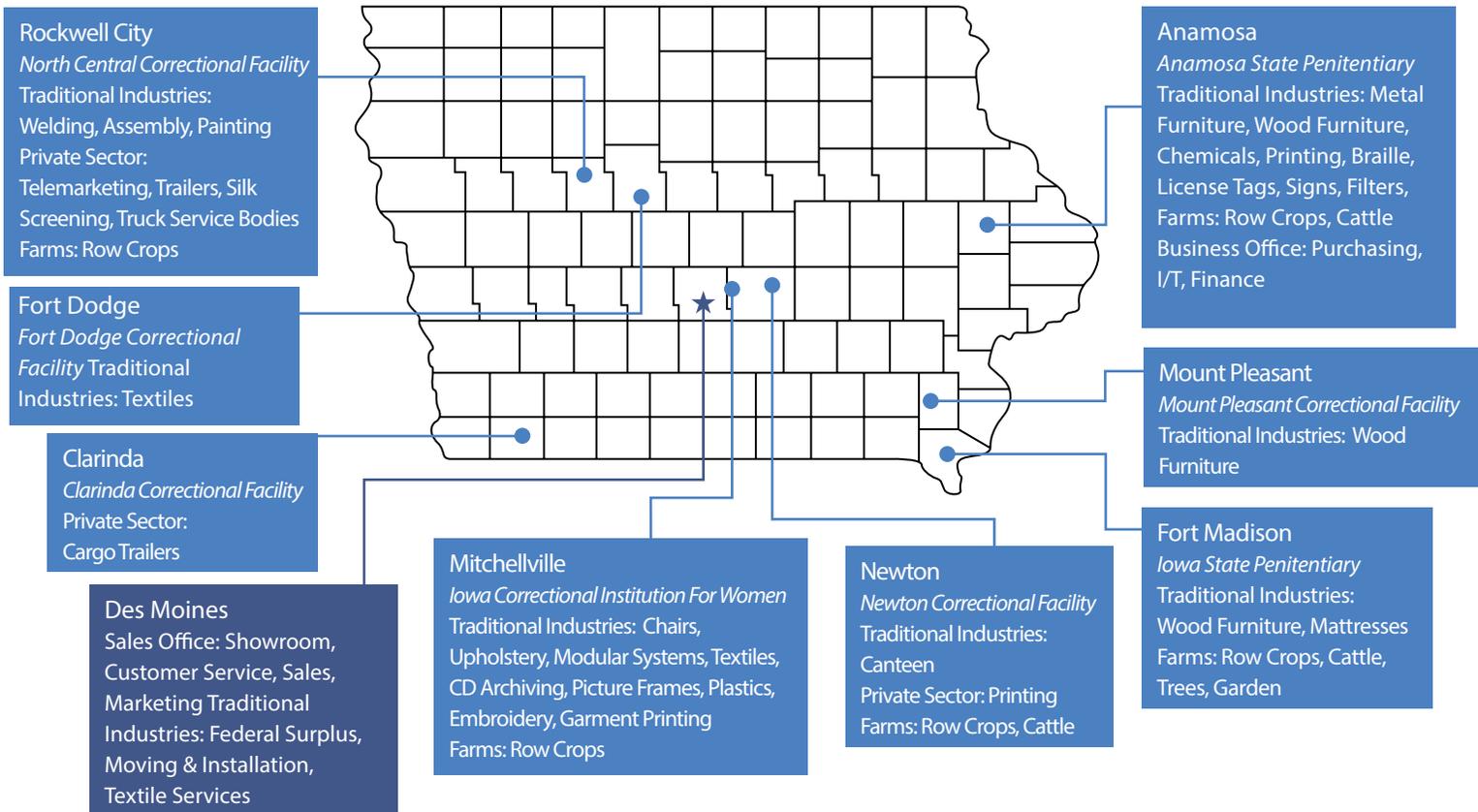
Residential & Dormitory Beds & Accessories, Clothes Storage, Student Desks & Accessories, Lounge Furnishings



Retirement Gifts / Engraving Services

Nameplates, Plaques, Recognition Boards, Acrylic Awards, Clocks, Drinkware, Pen & Pencil Sets, Custom Engraving

Locations



Contact Information

Sales Office/Showroom
800-670-4537 | Fax: 515-725-8714
1445 E Grand Ave, Des Moines, IA 50316

Bob Fairfax | 515-249-7588
Director of Sales & Marketing

Dennis Barry | 515-249-0694
County, State, and Federal Government

Albert Carr IV | 515-330-0095
K-12 Education

Tammy Nielson | 515-669-1954
Churches, City Government, Colleges & Universities, Health Care, Non-Profits

Kevin Peterson | 319-350-8536
DOC/DHS Institutions, Regents Universities, Service Statewide

Customer Service
800-332-7922 | Fax: 800-741-0390
1445 E Grand Ave,
Des Moines, IA 50316

Sara Schnotala | 515-725-8706
County, State and Federal Government, Non-Profit Organizations

Karen Donahue | 515-725-8708
Churches, City Government, Health Care, Colleges & Universities

David Welshhons | 515-725-8709
K-12 Education, DOC/DHS Institutions

Business Office
406 N High Street
Anamosa, IA 52205
Phone: 319-462-3706

Purchasing Office
406 N High Street
Anamosa, IA 52205
Phone: 319-462-3706

Federal Surplus Move & Install
600 SE 18th Street
Des Moines, IA 50317
Phone: 515-266-6913

IPI Farms
406 N High Street
Anamosa, IA 52205
Phone: 319-462-3504 x7708

IPI Plants
Anamosa: 319-462-3547
Fort Madison: 319-376-4880 x41607
Mitchellville: 515-725-5310
Mount Pleasant: 319-385-1730
Newton: 641-791-9242
Rockwell City: 712-297-7717
Fort Dodge: 515-574-4700 x5014