

STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
P.O. Box 8953
Madison, WI 53708-8953
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: December 21, 2018

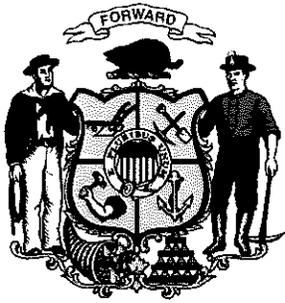
Re: DOC Report to JFC

Attached is a report on Prison Industries from the Department of Corrections, pursuant to s. 303.018, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm



Wisconsin Department of Corrections

Governor Scott Walker | Secretary Cathy A. Jess

October 8, 2018

Senator Alberta Darling
Co-Chair, Joint Committee on Finance
Room 317 East
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

DEC 21 2018
J. Finance

Representative John Nygren
Co-Chair, Joint Committee on Finance
Room 309 East
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Senator Darling and Representative Nygren:

Attached is the report on Prison Industries for the fiscal year ending June 30, 2018, as required by §303.018 of the Wisconsin Statutes. This report includes the year-to-date cash balances of Badger State Industries (BSI) at the end of the fiscal year.

Traditional Prison Industries

The fiscal year reporting for FY18 is from July 1, 2017 through June 30, 2018, and shows BSI had gross revenues of \$18,774,600 with cash expenditures of \$18,181,000. FY18 ended with a net profit of \$593,600 on a cash basis, and a profit of \$488,200 on an accrual basis.

With a beginning cash balance of (\$2,661,000) and a FY18 net profit of \$593,600, the cash balance at the end of the fiscal year was (\$2,067,400). The Department recognizes past shortfalls and will continue to work diligently towards increasing revenue and reducing expenditures to address past shortfalls.

Sincerely,



Cathy A. Jess, Secretary
Department of Corrections



Ellen Nowak, Secretary
Department of Administration

Attachments

cc:

David Bajkiewicz, BCE
Wes Ray, BCE
James Schwochert, DAI
Melissa Roberts, DAI
Doug Percy, DAI
Wendy Monfils, DAI
Brigette Smith, DAI
Andrew Potts, DOA
Ryan Hutter, DOA

Casey Newman, DMS
Dawn Woeshnick, DMS
Jacob Jokisch, DMS
Linda Ellefson, DMS
Patrick Hughes, DMS
Jared Hoy, DMS
Cynda Solberg, DMS
Jere Bauer, LFB
Shannon Huberty, LFB

Traditional Prison Industries

June 30, 2018 Cash Profit and Loss Statement

Revenue		\$ 18,774,600
Cost of Goods Sold	\$ 15,061,300	
Administrative Expense	<u>\$ 3,119,700</u>	
		<u>\$ 18,181,000</u>
Plus beginning Cash Balance		\$ (2,661,000)
Cash Profit (Deficit) - June 30, 2018		\$ 593,600
Cash Balance June 30, 2018		<u>\$ (2,067,400)</u>

June 30, 2018 Accrual Profit and Loss Statement

Sales		\$ 18,774,600
Cost of Goods Sold	\$ 15,148,000	
Administrative Expense	<u>\$ 3,138,400</u>	
		<u>\$ 18,286,400</u>
Accrual Basis Operating Profit (Deficit) - June 30, 2018		<u>\$ 488,200</u>

BUREAU OF CORRECTIONAL ENTERPRISES

BADGER STATE INDUSTRIES

FY 18 CASH BALANCE SUMMARY BY INDUSTRY

AS OF JUNE 30, 2018

INDUSTRY	TRADITIONAL INDUSTRIES			
	FY18 BEGINNING CASH BALANCE 7/1/2017	FY 18 Q4 YTD REVENUE	FY 18 Q4 YTD EXPENDITURE	FY 18 ENDING CASH BALANCE 6/30/2018
NON-PROJECT OPERATIONS				
MANAGEMENT & SUPPORT ¹	(67,500)	2,600	(64,900)	0
DISTRIBUTION CENTER TRANSITION PROGRAM	100 0	159,000 0	159,000 0	100 0
SUB-TOTAL	(67,400)	161,600	94,100	100
PROJECT OPERATIONS				
FURNITURE ²				
SYSTEM FURNITURE	(12,409,000)	3,950,400	4,935,400	(13,394,000)
UPHOLSTERY	111,600	3,241,800	3,184,200	169,200
FURNITURE SUB-TOTAL	(12,297,400)	7,192,200	8,119,600	(13,224,800)
LAUNDRY	(1,007,900)	1,987,100	1,917,700	(938,500)
TEXTILES	(8,716,400)	1,619,200	1,275,100	(8,372,300)
METAL STAMPING	24,266,500	3,433,400	1,844,900	25,855,000
CANTEEN	(165,800)	1,128,900	1,124,700	(161,600)
PRINTING	(3,864,100)	577,900	722,700	(4,008,900)
SIGNS				
CUSTOM SIGNS SHOP	1,888,900	1,112,700	1,643,600	1,358,000
ROAD & TRAIL SIGNS SHOP	(1,498,300)	1,391,300	1,309,300	(1,416,300)
SIGN HYDROSTRIPPING SHOP	(1,179,800)	160,900	129,800	(1,148,700)
SIGNS SUB-TOTAL	(789,200)	2,664,900	3,082,700	(1,207,000)
DURABLE MEDICAL EQUIPMENT REFURBISHING	(19,300)	9,400	(500)	(9,400)
TOTAL	(2,661,000)	18,774,600	18,181,000	(2,067,400)

Footnotes:

¹ Management & Support costs represent overhead and non-project operations. Transition program costs are substantially allocated to the appropriate industries in the current fiscal year. Any remaining costs will be allocated in next fiscal year operations

² System Furniture sales are derived from products manufactured by the other Industries: Wood & Laminating, Metal Furniture, and Upholstery. Costs for those products are retained by the originating shop.