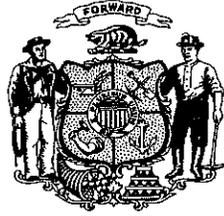


STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

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



ASSEMBLY CHAIR
John Nygren

308 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 18, 2019

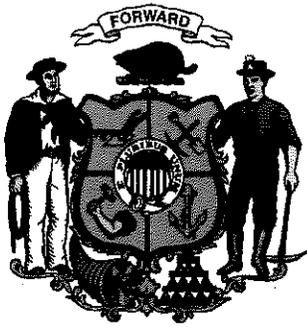
Re: DOC Report to JFC

Attached is a report on prison industries for the fiscal year ending June 30, 2019, 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 Tony Evers | Secretary Kevin A. Carr

December 16, 2019

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

DEC 18 2019
St. Fingall

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, 2019, 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 FY19 is from July 1, 2018 through June 30, 2019, and shows BSI had gross revenues of \$18,903,000 with cash expenditures of \$18,575,700. FY19 ended with a net profit of \$327,300 on a cash basis, and a profit of \$219,600 on an accrual basis.

With a beginning cash balance of (\$2,067,400) and a FY19 net profit of \$327,300, the cash balance at the end of the fiscal year was (\$1,740,100). The Department recognizes past shortfalls and continues to work diligently towards increasing revenue and reducing expenditures to address past shortfalls.

Sincerely,



Kevin A. Carr, Secretary
Department of Corrections



Joel Brennan, Secretary
Department of Administration

Attachments

cc:

Makda Fessahaye, DAI
Doug Percy, DAI
Stephanie Hove, DAI
Wendy Monfils, DAI
Brigette Smith, DAI
Ryan Hutter, DOA
Andrew Potts, DOA
Steve Krallis, DMS

Dawn Woeshnick, DMS
Jacob Jokisch, DMS
Linda Ellefson, DMS
Jared Hoy, DMS
Shannon Huberty, LFB
Jere Bauer, LFB
David Bajkiewicz, BCE
Wes Ray, BCE

BUREAU OF CORRECTIONAL ENTERPRISES
BADGER STATE INDUSTRIES
FY 19 CASH BALANCE SUMMARY BY INDUSTRY
AS OF JUNE 30, 2019

INDUSTRY	TRADITIONAL INDUSTRIES			
	FY19 BEGINNING CASH BALANCE 07/01/18	FY 19 REVENUES	FY 19 EXPENDITURES	FY19 ENDING CASH BALANCE 06/30/19
NON-PROJECT OPERATIONS				
MANAGEMENT & SUPPORT ¹	0	59,900	0	59,900
DISTRIBUTION CENTER	100	264,100	99,300	164,900
TRANSITION PROGRAM	0	0	0	0
SUB-TOTAL	100	324,000	99,300	224,800
PROJECT OPERATIONS				
FURNITURE ²				
SYSTEM FURNITURE	(13,394,000)	4,334,000	4,507,400	(13,567,400)
UPHOLSTERY	169,200	2,877,400	2,699,000	347,600
FURNITURE SUB-TOTAL	(13,224,800)	7,211,400	7,206,400	(13,219,800)
LAUNDRY	(938,500)	1,484,000	1,852,100	(1,306,600)
TEXTILES	(8,372,300)	1,808,700	1,621,800	(8,185,400)
METAL STAMPING	25,855,000	3,280,400	1,952,300	27,183,100
CANTEEN	(161,600)	1,653,000	1,759,100	(267,700)
PRINTING	(4,008,900)	514,500	831,000	(4,325,400)
SIGNS				
CUSTOM SIGNS SHOP	1,358,000	1,109,000	1,403,400	1,063,600
ROAD & TRAIL SIGNS SHOP	(1,416,300)	1,402,400	1,566,000	(1,579,900)
SIGN HYDROSTRIPPING SHOP	(1,148,700)	105,000	148,100	(1,191,800)
SIGNS SUB-TOTAL	(1,207,000)	2,616,400	3,117,500	(1,708,100)
DURABLE MEDICAL EQUIPMENT REFURBISHING	(9,400)	10,600	136,200	(135,000)
TOTAL	(2,067,400)	18,903,000	18,575,700	(1,740,100)

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.

Traditional Prison Industries

June 30, 2019 Cash Profit and Loss Statement

Revenue		\$ 18,903,000
Cost of Goods Sold	\$ 15,456,000	
Administrative Expense	<u>\$ 3,119,700</u>	
		<u>\$ 18,575,700</u>
Plus beginning Cash Balance		\$ (2,067,400)
Operating Cash Profit (Deficit) - June 30, 2019		\$ 327,300
Cash Balance June 30, 2019		<u>\$ (1,740,100)</u>

June 30, 2019 Accrual Profit and Loss Statement

Sales		\$ 18,903,000
Cost of Goods Sold	\$ 15,545,000	
Administrative Expense	<u>\$ 3,138,400</u>	
		<u>\$ 18,683,400</u>
Accrual Basis Operating Profit (Deficit) - June 30, 2019		<u>\$ 219,600</u>