

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
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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: July 7, 2020

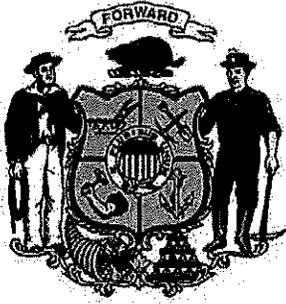
Re: DOC Report to JFC

Attached is a report on prison industries for the quarter ending March 31, 2020, from the Department of Corrections, pursuant to s. 303.019, 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

JUL 07 2020
JF. Finance

May 29, 2020

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

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 quarter ending March 31, 2020 as required by §303.019 of the Wisconsin Statutes. This report includes the cash balances of Badger State Industries (BSI) through the end of the third quarter of FY20.

Traditional Prison Industries

For the period July 1, 2019 through March 31, 2020, BSI had gross revenues of \$14,700,800 and cash expenditures of \$13,339,500. The third quarter ended with revenues exceeding expenditures by \$1,361,300. The Department currently projects a net profit of \$790,100 on a cash basis for FY20, and a projected profit of \$1,254,700 on an accrual basis.

With a beginning cash balance of (\$1,740,100) and year-to-date profit of \$1,361,300, the cash balance at the end of the third quarter reflects a shortfall of (\$378,800).

The Department recognizes past shortfalls and continues to work diligently towards increasing revenue and reducing expenditures throughout FY20 to address past shortfalls.

Sincerely,



Kevin A. Carr, Secretary
Department of Corrections



Joel Brennan, Secretary
Department of Administration

Attachments

cc:

Makda Fessahaye, DAI
Stephanie Hove, DAI
Doug Percy, DAI
Wes Ray, BCE
Wendy Monfils, DAI
Brigette Smith, DAI
Andrew Potts, DOA
Ryan Hutter, DOA

Melissa Roberts, DMS
Stefanos Krallis, DMS
Dawn Woeshnick, DMS
Cynda Solberg, DMS
Linda Ellefson, DMS
Jere Bauer, LFB
Shannon Huberty, LFB

BUREAU OF CORRECTIONAL ENTERPRISES

CASH BALANCE SUMMARY

AS OF MAR 31, 2020

TRADITIONAL INDUSTRIES				
INDUSTRY	FY 20 BEGINNING CASH BALANCE 07/01/2019	FY 20 REVENUE	FY 20 EXPENDITURES	CASH BALANCE AS OF 3/31/2020
NON PROJECT OPERATIONS				
MANAGEMENT & SUPPORT ^{*1}	59,900	7,400	821,400	(754,100)
DISTRIBUTION CENTER	164,900	164,500	518,400	(189,000)
TRANSITION PROGRAM	0	0	30,600	(30,600)
SUB-TOTAL	224,800	171,900	1,370,400	(973,700)
PROJECT OPERATIONS				
FURNITURE ^{*2}				
SYSTEM FURNITURE	(13,567,400)	3,246,700	3,187,000	(13,507,700)
UPHOLSTERY	347,600	2,394,800	1,724,800	1,017,600
FURNITURE SUB-TOTAL	(13,219,800)	5,641,500	4,911,800	(12,490,100)
LAUNDRY	(1,306,600)	1,598,700	1,216,100	(924,000)
TEXTILES	(8,185,400)	1,126,100	851,800	(7,911,100)
METAL STAMPING	27,183,100	2,639,200	1,523,500	28,298,800
CANTEEN	(267,700)	1,556,200	1,310,700	(22,200)
PRINTING	(4,325,400)	397,800	467,600	(4,395,200)
SIGNS				
CUSTOM SIGNS SHOP	1,063,600	652,400	737,400	978,600
ROAD & TRAIL SIGNS SHOP	(1,579,900)	788,400	851,500	(1,643,000)
SIGN HYDROSTRIPPING SHOP	(1,191,800)	116,300	71,400	(1,146,900)
SIGNS SUB-TOTAL	(1,708,100)	1,557,100	1,660,300	(1,811,300)
DURABLE MEDICAL EQUIPMENT	(135,000)	12,300	27,300	(150,000)
TOTAL	(1,740,100)	14,700,800	13,339,500	(378,800)

Footnotes:

¹ Management & Support costs represent overhead and non-project operations. Transition program costs are sub-allocated to the appropriate industries in the current fiscal year. Any remaining costs will be allocated in next fiscal 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, 2020 Projected Cash Profit and Loss Statement
As of March 31, 2020**

Projected Revenue		\$ 19,101,100
Projected Cost of Goods Sold	\$ 15,949,500	
Projected Administrative Expense	<u>\$ 2,361,500</u>	
		<u>\$ 18,311,000</u>
Plus beginning Cash Balance		\$ (1,740,100)
Projected Cash Profit (Loss) - June 30, 2020		\$ 790,100
Projected Cash Balance June 30, 2020		<u>\$ (950,000)</u>

**June 30, 2020 Projected Accrual Profit and Loss Statement
As of March 31, 2020**

Projected Sales		\$ 19,601,100
Projected Cost of Goods Sold	\$ 15,949,500	
Projected Administrative Expense	<u>\$ 2,396,900</u>	
		<u>\$ 18,346,400</u>
Projected Accrual Basis Operating Profit (Loss) - June 30, 2020		<u>\$ 1,254,700</u>