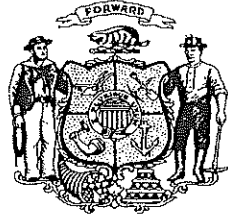


STATE OF WISCONSIN

SENATE CHAIR
Howard Marklein

316 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-0703



ASSEMBLY CHAIR
Mark Born

308 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8953
Phone: (608) 266-2540

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: June 26, 2023

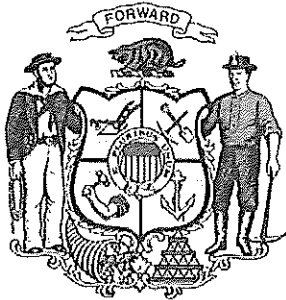
Re: DOC Report to JFC

Attached is a Prison Industries report for the quarter ending March 31, 2023, 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

HM:MB;jm



Wisconsin Department of Corrections

Governor Tony Evers | Secretary Kevin A. Carr

JUN 26 2023

June 23, 2023

St Finance

Senator Howard Marklein
Co-Chair, Joint Committee on Finance
Room 316 East
State Capitol
P.O. Box 7882
Madison, WI 53707

Representative Mark Born
Co-Chair, Joint Committee on Finance
Room 308 East
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Senator Marklein and Representative Born:

Attached is the report on Prison Industries for the quarter ending March 31, 2023 as required by §303.019 of the Wisconsin Statutes. This report includes the cash balances of the Bureau of Correctional Enterprises (BCE) through the end of the third quarter of FY23.

Traditional Prison Industries

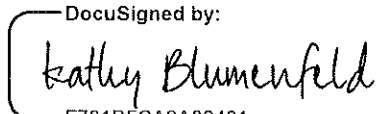
For the period July 1, 2022 through March 31, 2023, BCE had gross revenues of \$13,187,400 and cash expenditures of \$14,568,100. The third quarter ended with revenues below expenditures by (\$1,380,700). The Department currently projects a net profit of \$236,300 on a cash basis for FY23, and a projected profit of \$500 on an accrual basis.

With a beginning cash balance of \$5,196,600 and year-to-date loss of (\$1,380,700), the cash balance at the end of the third quarter reflects a surplus of \$3,815,900.

Sincerely,



Kevin A. Carr, Secretary
Department of Corrections

DocuSigned by:

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Kathy Blumenfeld, Secretary-designee
Department of Administration

Attachments

cc:

Sarah Cooper, DAI
Stephanie Hove, DAI
Paul Kemper, DAI
Wes Ray, BCE
Tie Fleming, BCE
Wendy Monfils, DAI
Ann Marie Wuest, DAI
Andy Potts, DOA
Nick Richter, DOA

Doug Percy, DMS
Steve 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 MARCH 31, 2023**

TRADITIONAL INDUSTRIES				
INDUSTRY	BEGINNING CASH BALANCE 07/01/2022	FY 23 REVENUE	FY 23 EXPENDITURES	CASH BALANCE AS OF 3/31/2023
NON PROJECT OPERATIONS				
MANAGEMENT & SUPPORT ¹	0	200	2,711,000	(2,710,800)
DISTRIBUTION CENTER	0	116,700	1,378,700	(1,262,000)
TRANSITION PROGRAM	0	0	90,200	(90,200)
SUB-TOTAL	0	116,900	4,179,900	(4,063,000)
PROJECT OPERATIONS				
FURNITURE ²				
SYSTEM FURNITURE	(10,971,200)	2,372,300	2,128,500	(10,727,400)
UPHOLSTERY	2,778,300	1,911,500	1,513,900	3,175,900
FURNITURE SUB-TOTAL	(8,192,900)	4,283,800	3,642,400	(7,551,500)
LAUNDRY	(1,218,700)	1,930,800	1,129,400	(417,300)
TEXTILES	(7,116,600)	1,174,800	1,159,600	(7,101,400)
METAL STAMPING	29,941,900	2,517,700	2,323,700	30,135,900
CANTEEN	(217,300)	217,200	2,200	(2,300)
PRINTING	(4,760,700)	351,100	433,500	(4,843,100)
SIGNS				
CUSTOM SIGNS SHOP	675,000	1,195,100	708,700	1,161,400
ROAD & TRAIL SIGNS SHOP	(2,303,600)	1,367,600	436,300	(1,372,300)
SIGN HYDROSTRIPPING SHOP	(1,295,300)	36,700	486,400	(1,745,000)
SIGNS SUB-TOTAL	(2,923,900)	2,599,400	1,631,400	(1,955,900)
PDC	65,600	0	55,700	9,900
DURABLE MEDICAL EQUIPMENT	(380,800)	(4,300)	10,300	(395,400)
TOTAL	5,196,600	13,187,400	14,568,100	3,815,900

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.

BUREAU OF CORRECTIONAL ENTERPRISES
June 30, 2023 Projected Cash Profit and Loss Statement
As of March 31, 2023

TRADITIONAL INDUSTRIES

Cash Accounting

Projected FY23 Revenue		\$ 19,100,000
Projected Cost of Goods Sold	\$ 16,044,000	
Projected Administrative Expense	\$ 2,819,700	
Subtotal		<u>\$ 18,863,700</u>

Plus beginning Cash Balance		\$ 5,196,600
Projected Cash Profit (Loss) - June 30, 2023		<u>\$ 236,300</u>
Projected Cash Balance June 30, 2023		<u><u>\$ 5,432,900</u></u>

June 30, 2023 Projected Accrual Profit and Loss Statement
As of March 31, 2023

Accrual Accounting

Projected FY23 Sales		\$ 19,100,000
Projected Accrual Cost of Goods Sold	\$ 16,244,600	
Projected Accrual Administrative Expense	\$ 2,854,900	
Subtotal		<u>\$ 19,099,500</u>
Projected Accrual Basis Operating Profit (Loss) - June 30, 2023		<u><u>\$ 500</u></u>