

Budget Brief – Utah Correctional Industries

MEA

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SUMMARY

Utah Correctional Industries (UCI) is Utah's prison industries program. Under direction from the UCI Advisory Board and the Utah Department of Corrections, UCI operates enterprises utilizing inmate labor to benefit tax-supported entities. UCI is a self-supporting program, deriving its revenues solely from the sales of products and services. UCI provides work experience and skills training for inmates to increase the successful return of offenders from prison or parole into the community.

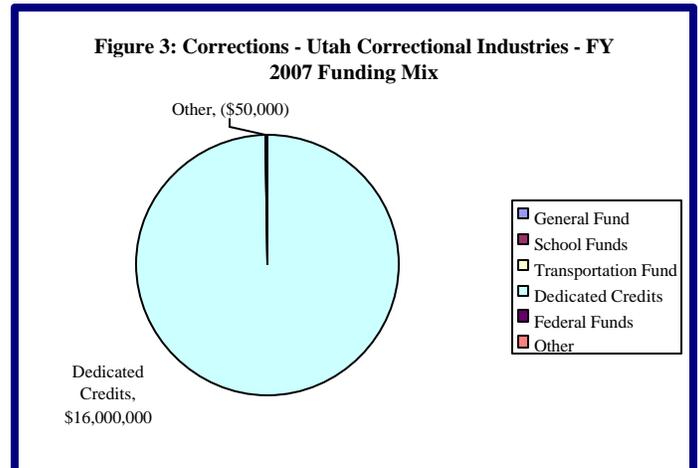
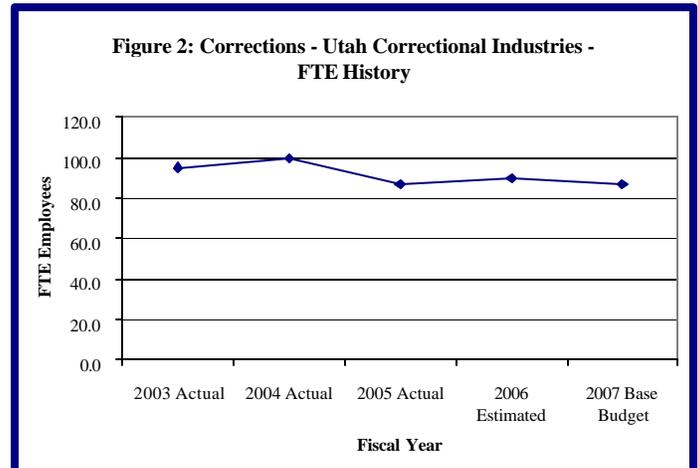
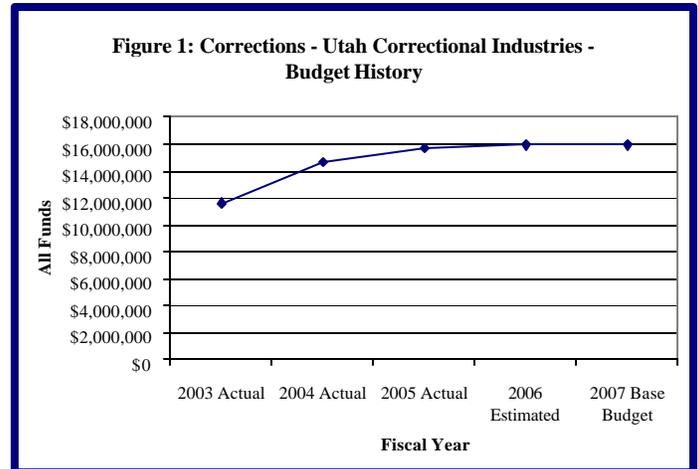
ISSUES AND RECOMMENDATIONS

UCI has generated a profit for the last four year. Profits are held by UCI as retained earnings. The retained earnings allows UCI the ability to be a self-sustaining enterprise fund and provides the resources necessary for reinvestment into UCI operations and training programs.

Business Enterprises

UCI enterprises are involved in the following areas:

- Furniture manufacturing
- Seat manufacturing
- License plate production
- Sign manufacturing
- Printing projects
- Computer refurbishing
- Data entry
- Microfilming
- Community work crews
- Asbestos abatement
- Commercial sewing
- Meat and milk processing
- Electronic recycling
- Waste recycling
- Commissary services
- Roofing and construction



The entire Department has been granted nonlapsing authority for the carry-over of unexpended funds from one year to the next. The Analyst recommends that non-lapsing authority continues for the Utah Correctional Industries.

ACCOUNTABILITY DETAIL

The Legislature's intention, as indicated by statute, is that Correctional Industries provide an environment for the operation of correctional industries that closely resembles the environment for the business operations of a private corporate entity. Included in this intent of the Legislature are four standards, which Correctional Industries are to maintain:

- UCI is to be a self-supporting organization.
- UCI's economic goal is to be profit-oriented.
- Revenue for operations and capital investment are to be generated by the Division.
- The Division should assume responsibility for training offenders in general work habits, work skills, and specific training skills that increase their employment prospects when released.

UCI met the goal of profitability beginning in FY 2002. Since that time, UCI has generated profits. The agency projects continued profitability for FY 2006.

Utah Correctional Industries Performance Measures

Performance Data Summary - Utah Correctional Industries						
Goal	Measure	Measure Type	FY 2005		FY 2006	
			Target	Observed	Target	
# of inmates participating	Participation	Input	600	634	625	
% of average daily population participating	Participation	Input	20%	21%	22%	
Financial outcome	Profit/(Loss)	Output	\$ 750,000	\$ 480,000	\$ 400,000	

BUDGET DETAIL

UCI is a self-sustaining business entity under the control of the UCI Board and the Department of Corrections. Retained earnings of over \$3,000,000 have been generated since 2002. These funds should be used to expand opportunities for inmates to develop marketable skills while providing services to tax-supported entities.

Budget Recommendation

The Analyst recommends \$15,950,000 of dedicated credit revenue to fund UCI operations and enterprise fund activities.

Intent Language

The Analyst recommends the continuation of the following Legislative intent language: *It is the intent of the Legislature that the funds for Corrections Programs and Operations line item shall not lapse.*

LEGISLATIVE ACTION

1. The Analyst recommends a base budget for UCI of \$15,950,000.
2. Consider non-lapsing intent language for the line item as discussed on page 2.

BUDGET DETAIL TABLE

Corrections - Utah Correctional Industries						
	FY 2005	FY 2006		FY 2006		FY 2007*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
Dedicated Credits Revenue	15,739,400	16,000,000	0	16,000,000	0	16,000,000
Closing Nonlapsing	(15,700)	(50,000)	0	(50,000)	0	(50,000)
Total	\$15,723,700	\$15,950,000	\$0	\$15,950,000	\$0	\$15,950,000
Programs						
Utah Correctional Industries	15,723,700	15,950,000	0	15,950,000	0	15,950,000
Total	\$15,723,700	\$15,950,000	\$0	\$15,950,000	\$0	\$15,950,000
Categories of Expenditure						
Personal Services	4,921,300	4,901,600	466,700	5,368,300	(13,700)	5,354,600
In-State Travel	4,900	6,100	(700)	5,400	0	5,400
Out of State Travel	13,800	0	14,800	14,800	0	14,800
Current Expense	10,408,200	10,766,400	(1,336,100)	9,430,300	13,700	9,444,000
DP Current Expense	195,700	60,100	171,500	231,600	0	231,600
DP Capital Outlay	21,900	17,700	(17,700)	0	0	0
Capital Outlay	621,900	215,000	(215,000)	0	0	0
Other Charges/Pass Thru	17,000	20,500	(2,700)	17,800	0	17,800
Cost of Goods Sold	(481,000)	(37,400)	919,200	881,800	0	881,800
Total	\$15,723,700	\$15,950,000	\$0	\$15,950,000	\$0	\$15,950,000
Other Data						
Budgeted FTE	87.1	87.1	3.0	90.0	(3.0)	87.0
Vehicles	50	50	0	50	0	50

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.