



# **Springfield Vocational Industries (SVI)**



# Why are We Before You?

We are exploring two options to correct issues with the way SVI is funded.

One of those involves moving SVI to Pheasantland Industries (PI).

The Corrections Commission by statute must approve any expansion of Pheasantland Industries (PI).



# 1-15-1.13. Corrections Commission Members--Terms--Purpose

There is established a Corrections Commission. The commission shall be assigned to the Department of Corrections.

The commission shall consist of nine members:

- (1) Three members appointed by the Governor. The Governor shall appoint: one member from a list of three nominees provided by the Industry and Commerce Association of South Dakota; one member from a list of three nominees provided by the South Dakota Retailers Association; and one member representing labor;
- (2) Two senators, one from each political party, appointed by the respective political party caucus leader;
- (3) Two representatives, one from each political party, appointed by the respective political party caucus leader; and
- (4) Two members appointed by the Chief Justice of the Supreme Court.

Members shall serve at the pleasure of the appointing authority and may be removed by the appointing authority at any time.

The commission shall meet at least two times each year at the call of the secretary of the Department of Corrections or the chair of the commission. The commission shall assist the Department of Corrections in examining criminal justice issues and developing initiatives to address problems in corrections and the criminal justice system.

**In addition, no funds, other than those for normal operating costs and replacement of existing necessary equipment, may be expended from the prison industries revolving fund for the purposes of enhancement, development, or expansion of prison industries without approval of the commission.**

Source: SL 1991, ch 6 (Ex. Ord. 91-5), §§ 2-5; SL 1993, (SS), ch. 3, § 8; SL 1996, ch 160, § 2.



# SVI SHOPS

Auto Body

Construction Technology

Landscape/Horticulture

Machine Tool

Welding

Upholstery

Automotive

WP Embroidery



# PI SHOPS

Braille

Cabinetry

Carpentry

Garments

License Plates

Machining

Print and Book Binding

Signs

Upholstery

WP Data Entry



# Purpose

The original of SVI intent was that inmates receive vocational training with real-world jobs. It was not created as an industry.



Issue: In FY17 SVI Revenues will be swept into the General Fund as they are accrued.

Previously SVI was an information budget unit within the Mike Durfee State Prison as an unbudgeted center that is outside of the budget system, but still tracked through MSA reporting.

Some profits from SVI jobs [revenues that exceeded expenses] were moved to fund budgeted items such as vocational education instructor salaries or equipment needed for the shops while other profits were retained to fund future years' operations.



# Solutions

Request BFM create a budget unit specifically for SVI that retains revenues throughout the year to fund new SVI projects. Sweep all but \$100,000 at the end of the year into the General Fund.

Request BFM, after the approval of the Corrections Commission, transfer SVI operations to the PI budget.





Issue: Unable to accurately predict future expenses and there is no longer excess working capital to fund when unexpected jobs arise.

All expenses are now funded with a specified amount by the General Fund within the MDSP Education Budget.



Issue: SVI expenses will now be included in all financial reports for MDSP unless they are manually extracted.

As a budget unit, MDSP daily per diem rates and overall budget reports will include expenses attributed to SVI.



# Financial History

	<b>FY2015</b>	<b>FY2014</b>	<b>FY2013</b>	<b>FY2012</b>	<b>FY2011</b>
	06/30/2015	06/20/2014	06/20/2013	06/30/2012	06/30/2011
REVENUES	\$ 744,550	\$ 828,517	\$ 756,316	\$ 1,651,345	\$ 770,402
EXPENDITURES	\$ 530,804	\$ 675,603	\$ 658,555	\$ 891,765	\$ 737,081
NET INCOME	<u>\$ 213,746</u>	<u>\$ 152,914</u>	<u>\$ 97,761</u>	<u>\$ 759,580</u>	<u>\$ 33,321</u>



# FY17 Operating Budget

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## Operating Budget Object/Subobject Summary

FY 2017 Version A1

For Centers: 182106 thru 182106  
For Subobjects: 5205318 thru 5205318

		General	Federal	Other	Total
Center 18210-6	Education				
Object 5205	SUPPLIES & MATERIALS				
Subobject	Description				
5205318	PRINTING-STATE	500,000	0	0	500,000
	Object Totals for 5205	500,000	0	0	500,000
	Center Totals for 18210-6	500,000	0	0	500,000