



DEPARTMENT OF CORRECTIONS
PHEASANTLAND INDUSTRIES
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January 14, 2014

Dear Governor Dennis Daugaard and Members of the 2013 Legislature:

Pursuant to the SDCL 24-7-37, Pheasantland Industries has published its Annual Report for Fiscal Year 2013. This report provides a general overview of Pheasantland Industries as well as summaries of activities and notable production numbers for the year. The complete report is accessible for your viewing on the world-wide web at <http://doc.sd.gov/about/publications/>. If you would like a printed copy of the complete report, please let me know and I will be happy to have one delivered to you. A synopsis of the year's activities can be found on the five pages below.

Pheasantland Industries recorded income of \$226,404 on sales of \$2,547,970 for Fiscal Year 2013. Transfer of \$919,511 was made to the Department of Corrections which the majority was for Comprehensive Offender Management System. This transfer resulted in a net loss of (\$693,107). Profits from Pheasantland Industries are used to fund programs and services designed to enhance inmates' ability to lead productive lives upon their release from prison.

Our focus continues to be on developing a solid work ethic, enhancing inmates' opportunities for employment upon their release from prison and on producing high quality goods and services for South Dakota governmental entities, federal agencies and nonprofit organizations.

Sincerely,


Dennis Kaemingk
Secretary of Corrections

Mission

To provide products and services to South Dakota governmental entities, federal agencies, non-profit organizations and state employees. To provide work opportunities for inmates, preparing them for successful return to their communities.

Outlook for FY2014

Pheasantland Industries will continue to look for new industries that will provide more opportunity for inmate employment. As always, we will not expand to any industry that would be in direct competition with the local private sector. Introducing any new trades to Pheasantland Industries would require the approval of the Corrections Commission.

Traditional Industries

At the close of Fiscal Year 2013, the Pheasantland Industries staff consisted of 14 FTE. The inmate work force totaled 207 inmates, with 58 of those inmates working in private sector industries. In Fiscal Year 2013, Pheasantland Industries consists of traditional prison industries: License Plates/Decals, Carpentry, Upholstery, Print/Bookbinding, Braille Shop/Tactile Graphics, Sign, Machine, Garments/Screen Printing and Data Entry. Industries in a prison environment operate differently than businesses in a free society. Strict security procedures and scheduling are set by prison officials. Industry shops operate Monday through Friday from 7:30 a.m. to 3:30 p.m.

Inmates earn \$.25 per hour. We strive to teach the inmates a tangible skill they can use upon release, but just as important, we try to teach them "soft skills". Those skills include a good work ethic, interaction with other employees and pride in their work.

All traditional industries operate at the State Penitentiary in Sioux Falls, except the Garment/Screen Print shop which is located at the Mike Durfee State Prison in Springfield and the data entry and scanning project which is located at the Women's Prison in Pierre. Prison industry shops are designed to meet standards established by the Occupational Safety and Health Administration. They are also inspected annually by the State Fire Marshal and Risk Management and must meet all standards established by those offices.

By policy, traditional prison industries can provide work only for government agencies, non-profit organizations and employees of the State of South Dakota.

Industry Descriptions:

License Plates/Decal Shop: Produces auto and truck, motorcycle, trailer, apportioned vehicle, tribal and state vehicle plates and license decals for mobile homes, boats and snowmobiles.

Carpentry Shop: Cabinet shop builds kitchen and bathroom cabinets and vanities, counter tops, linen cabinets and trim. Custom furniture builds desks, credenzas, conference tables, bookshelves, chairs, bed frames and wardrobes. They also refurbish pews for churches.

Upholstery Shop: Provides a full line of office seating, reupholsters all types of furniture in fabric, vinyl and leather, manufactures mattresses, sound proofing panels and pillows.

Print/Bindery Shop: Prints business cards, envelopes, brochures, letterhead, and business forms. Repairs and binds books, magazines and meeting minutes.

Braille/Tactile Graphic Shop: Workers are individually certified by the Library of Congress for transcription. Transcribe books, magazines, greeting cards, business cards, and brochures into Braille. Large print books are also produced for those with limited sight. The services of the Braille unit are available to the South Dakota State Library, to students and teachers nationwide. Tactile Graphics includes the production of maps, graphs, and science pictures for all textbooks. The Tactile Graphics Shop is setting the standards for graphics and is well known nationally for its quality of work.

Sign Shop: Produces highway and road signs for the South Dakota Department of Transportation and other local governments, as well as decals for county sheriffs, city police departments, South Dakota Highway Patrol, and state and local government vehicles.

Machine Shop: Provides metal fabrication and welding services to state and federal governments and non-profit organizations. Current products include steel bed frames, belly chains, inmate clothing lockers, live traps and hazardous materials cabinets.

Garment/Screen Print Shop: Manufactures khaki trousers and shirts, jackets, coveralls, boxers, blankets, sheets, safety green garments and T-shirts and prints for governmental and non-profit agencies.

Data Entry Shop: Provides data entry and scanning services for the Department of Social Services and the Department of Health.

Shop Production Numbers for FY2012/FY2013:

	FY2012	FY2013
Data Entry and Scan Shop		
keystrokes	288,734,163	224,486,073
pages scanned	3,461,571	1,806,302
Print/Book Bindery Shop		
printing impressions	4,603,567	4,105,326
books refurbished	2,031	2,245
individual business cards	220,150	255,400
Braille Transcription/Graphics Shop		
pages of Braille, transcribed and printed	149,609	199,027
tactile pages of graphics produced	9,115	7,126
large print pages printed	33,854	29,814
License Plate Shop		
decals for boats, snowmobiles, prorate tags and housing	16,675	27,564
individual license plates	167,336	327,395
Sign Shop		
square feet of signage	151,834	158,681
Upholstery Shop		
mattresses	1,001	1,028
pillows	978	984
bath towels	20,780	27,300
chairs, recliners and sofas re upholstered	71	78
stackable chairs assembled	358	248
weight bench pads reupholstered	68	69
new office chairs assembled and upholstered	43	17
Garment/Screen Print Shop		
garments screened	24,002	27,401
khaki pants	7,337	9,670
khaki shirts	182	652
T-shirts	31,133	34,404
boxer shorts	44,092	39,499
fleece blankets, pillowcases, sheets	11,745	12,557
kitchen pants, shirts and jackets	1,069	564
navy pants	1,408	1,368
safety green clothing	4,648	4,696
Carpentry Shop		
sets of cabinets for the Governor's Housing Program and daycare centers	70	50

Private Industry Enhancement

There is always a demand for more work opportunities for inmates. Traditional industries also have a very limited market in which to sell its goods. These two facts prompted the decision to explore private sector industry possibilities. In June of 1989, the Department of Corrections applied for certification in the Private Sector/Prison Industries Enhancement Program. This application was forwarded to the United States Bureau of Justice Assistance after the South Dakota Legislature passed legislation permitting private sector involvement in prison industries. South Dakota was granted certification in 1990.

A percentage is also retained in an inmate worker's savings account for use upon release or parole. Federal law requires that inmates working for private industry must be paid prevailing, local market wages for the type of work performed. Payroll deductions for inmates working at private industry jobs include social security, federal income taxes, incarceration fees, victim compensation and family support.

In addition to the State's certification, each private sector enterprise must be approved by the federal government. The application for each enterprise must include the enterprise market, the number of inmates to be employed, the wages to be paid, and verification that the venture will not impact the local market.

Private Industry FY 2013 Activities

Inmate wages paid in the private sector for FY 2013 was \$648,859. Inmates employed in these industries paid \$38,932 to the South Dakota Crime Victims' Compensation Fund, \$218,883 for incarceration costs, \$38,932 in a family support account, \$55,828 in federal taxes and \$43,322 in social security.

Private sector businesses operating during FY2013 included Metalcraft Industries, which has welding and machine tool operations at the Jameson Annex and a window component assembly line at the Penitentiary. Because Metalcraft Industries is a Prison Industries Enhanced Program they must pay their inmate employees' wages that are comparable to local industry.

Private Industry FY 2013 Contracts

Pheasantland Industries during FY2013 contracted with:

- Metalcraft Industries for the Private Industries Enhancement Program
- Hope Haven Ministries for the Wheelchair Restoration Program
- Personal Group for the Data Entry & Scanning Program at the Women's Prison

Pheasantland Industries' total sales and net income since FY 2001 is as follows:

FY 2001	Total sales	\$ 2,643,707
	Net Income	\$ 405,083
FY 2002	Total sales	\$ 1,975,086
	Net Income	\$ 303,322
FY 2003	Total sales	\$ 2,312,306
	Net income	\$ 148,020
FY 2004	Total sales	\$ 2,471,744
	Net income	\$ 97,884
FY 2005	Total sales	\$ 2,778,389
	Net income	\$ (354,261) *
FY2006	Total sales	\$ 6,008,960
	Net Income	\$ 754,187
FY2007	Total sales	\$ 3,279,756
	Net Income	\$ 412,197
FY2008	Total sales	\$ 2,808,433
	Net Income	\$ 278,602
FY 2009	Total Sales	\$2,541,571
	Net Income	\$ (883,267)**
FY 2010	Total Sales	\$2,396,234
	Net Income	\$1,280,126***
FY 2011	Total Sales	\$2,675,565
	Net Income	\$ 293,027
FY 2012	Total Sales	\$2,591,486
	Net Income	\$(1,054,955)****
FY 2013	Total Sales	\$2,826,555
	Net Income	\$(693,107)*****

*Transferred \$525,651 to DOC for construction costs for Jameson Unit D and MDSP Barracks.

** Transferred \$1,000,000 to the General Fund per General Appropriations Act.

*** Transferred \$1,000,000 from the Department of Revenue due to delaying the re-issuance of License plates.

****Transferred \$800,000 to Department of Corrections for constructions costs for Rapid Minimum Unit and COMS.

*****Transferred \$800,000 to Department of Corrections for COMS.

25 copies of this report were published at a cost of \$2.48 per copy.