



Maryland Correctional Enterprises

ANNUAL REPORT FY 2015





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MARYLAND CORRECTIONAL ENTERPRISES

ANNUAL REPORT FY2015

Stephen M. Shiloh, CCE
Chief Executive Officer

September 1, 2015

Maryland Correctional Enterprises (MCE) is proud of its heritage and continually strives to accomplish its mission of providing structured employment and training activities for offenders in order to improve employability upon release, to enhance safety and security, to reduce prison idleness, to produce quality, saleable goods and services, and to be a financially self-supporting State agency.

In January 2015, the National Correctional Industries Association (NCIA) in collaboration with the National Institute of Corrections (NIC) released a brochure identifying ten key components, the implementation of which offers the best practices for reentry-focused Correctional Industries. MCE has long held to these theories and practices as stated in this report.

Effective January 7, 2015, the State enacted the "Fiscal Year 2015 Expenditure Control Policy". While not directly affected by this policy, MCE was indirectly affected as funding to State Agencies was reduced.

Production time and revenues were lost due to prison lock downs during the civil unrest and riots in Baltimore City, the worst of which occurred on April 25th and April 27th, but lasted through May 3rd.

Based on FY14 data, MCE ranked 9th in the U.S. in sales and 4th in the U.S. for inmate employment, while State population and inmate population were 19th and 21st respectively. In FY15, a new record high of 54.06 million was achieved and 2,041 inmates were employed. MCE provided over 2.99 million hours of inmate employment and training and touched the lives of 2,990 inmate workers in FY15. Over a fifteen year study period, the recidivism rate for those inmates who were employed by MCE for at least twelve months was 22% (approximately half of the general population rate). With an annual cost in excess of \$38,000 per individual, lower recidivism lowers the cost of incarceration to the State.

On July 1, 2008, MCE implemented CARES (Continuing Allocation of Reentry Services) to assist inmate employees in transitioning to civilian employment upon release. So far this Calendar Year, MCE has held graduation ceremonies for 13 former incarcerated workers. There have been 301 CARES graduates since the program began.

MCE believes that along with returning offenders to Maryland communities with work skills and a work ethic, they should also experience the satisfaction of "giving back" by performing service for the community. MCE workers prepare food and textiles that are donated to the Special Olympics. Inmate crews cook and debone turkeys, feeding more than 35,000 needy families for the Annual Bea Gaddy Thanksgiving Dinner. All of these products and services are donated by Maryland Correctional Enterprises in an effort to help our fellow citizens. Additionally, MCE had a positive economic impact on Maryland's economy of over \$95 million in FY15.

MCE was originally "ACA Certified" on August 10, 2009, received 100% ACA re-accreditation on August 8, 2012 and is actively preparing for 100% re-accreditation in September 2015.

Since 1992, MCE has been certified by the U.S. Bureau of Justice Assistance for the Prison Industry Enhancement (PIE) Program which allows MCE to enter into partnerships and be a sub-contractor to private industry. In a letter dated January 23, 2015 from the U.S. Bureau of Justice Assistance, MCE was found to be in total compliance with all PIECP requirements.

MCE hosted the Northeast National Correctional Industries Association (NENCIA) Regional Training Conference in Annapolis, Maryland on October 5-8, 2014. The NENCIA consists of: Connecticut, CORCAN, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ontario, Pennsylvania, Quebec, Rhode Island, UNICOR and Vermont.

MCE publishes an annual Business Plan, which outlines what we plan to accomplish over the next several years, while our Annual Report details what we did accomplish. An annual Sales and Marketing Plan is also published.

In FY 2015, MCE transferred \$1.0 million to the State's General Fund. Including FY2015, since FY 2002 MCE has transferred over \$13.5 million to the General Fund to help balance the State budget.

MCE's accomplishments would not be possible without the support of the Department of Public Safety & Correctional Services (DPSCS) Secretary Stephen T. Moyer, Deputy Secretary Wendell M. France, their respective staffs, MCE Management Council, MCE Customer Council, DPSCS Wardens, and the patronage and support of our customers.

MCE strives to make a difference in Maryland.

Sincerely,



Stephen M. Shiloh, CCE
Chief Executive Officer
Maryland Correctional Enterprises





TABLE OF CONTENTS

MISSION STATEMENT	1
MANAGEMENT	1
“BEST PRACTICES”	2
1. STRATEGIC PLANNING	2
2. FINANCIAL SUSTAINABILITY	3
Sales	3
Ranking in U.S.	4
Plant Locations	4
Tabulation of Sales - FY 2015	5
Capital Projects - FY 2015	6
Design Unit	6
New Products	6
Top Customers	7
Top Plants/Service Centers	7
Customer Satisfaction	8
Customer Ratings	8
“Quick Ship”	8
Technology	9
Green Initiatives	9
3. STAFF RECRUITMENT, DEVELOPMENT AND RETENTION	11
4. STAKEHOLDERS	12
Management Council	12
Customer Council	13
Community Outreach	13
Media Recognition	14
5. PRIVATE INDUSTRY ENVIRONMENT	16
Delivery Time	16
6. CERTIFICATE-BASED SOFT LEARNING SKILLS	17
Learning for Life	17
7. CERTIFIED TECHNICAL TRAINING SKILLS	17
8. OFFENDER JOB OPPORTUNITIES	18
Ranking in U.S.	18
Inmate Employment	18
Tabulation of Inmates Employed - FY2015	19
A Look Back	20
A Look Ahead	21
Prison Industry Enhancement (PIE)	22
9. OFFENDER EMPLOYMENT READINESS AND RETENTION	23
CARES	23
10. POST-RELEASE EMPLOYMENT SERVICES	25
“Practicing What We Preach”	26
Recidivism	29
FINANCIAL	30
Economic Impact	30
Financial Statements	31



MISSION STATEMENT

*The mission of
Maryland Correctional Enterprises (MCE)
is to provide structured employment and training activities for
offenders in order to improve employability upon release,
to enhance safety and security, to reduce prison idleness,
to produce quality, saleable goods and services,
and to be a financially self-supporting State agency.*

MANAGEMENT

Chief Executive Officer	Steve Shiloh
Executive Assistant	Ashley Lohr
Chief Operating Officer	Joe Sommerville
Chief Administrative Officer	Mark Rowley
Chief Development Officer	Rick Rosenblatt
Director of Marketing	Lida Poole
Exec. Director of Management Council	David Jenkins
Director of Sales	Todd Deak
Sales Manager	Jim Hook
Human Resources Director	Dolores Holmes
Chief Financial Officer	Verona Williams
Operations Manager	Stephen Sanders
Projects Consultant	Cliff Benser
Customer Service Manager	Shari Hoffman
Design Manager	Terry Hill
Chief Information Officer	Karen Dullnig
Re-Entry Services Director	Anthony Morgan, Jr.

REGIONAL MANAGERS

Hagerstown/Cumberland Institutions	Greg Haupt
Jessup/ECI Furniture Restoration	Dan Bickford
Textiles/ECI Liason	Donna Beck
Graphics	Mike Giuffre
Central Warehouse Manager	Mathew Hall
Hagerstown Warehouse Manager	Ron Brown

“BEST PRACTICES”

In January 2015, the National Correctional Industries Association (NCIA) in collaboration with the National Institute of Corrections (NIC) released the ten key components for reentry-focused Correctional Industries. These components are aimed at reducing recidivism through a planned process. Implementation of all components will develop a culture of offender employability while ensuring sustainability of the organization.

The following sections will demonstrate how MCE has, is, and will continue to follow these best practices toward the attainment of its mission.

1. STRATEGIC PLANNING

Strategic Planning is the cornerstone of implementing and sustaining reentry-focused performance excellence. It is the process of defining your organization's direction and making decisions in support of that strategy.

The Maryland Correctional Enterprises (MCE) Strategic Business Plan was developed by MCE employees, facilitated by the Department of Public Safety and Correctional Services (DPSCS) Police and Correctional Training Commissions, and is based on the goals of: maintaining a self-supporting status, increasing inmate employment, increasing customer satisfaction, improving organizational excellence, and providing support and services for successful inmate transition to the community. These five goals are supported by objectives and strategies. MCE employees serve as chairpersons and members for each of the strategies.

The development of a MCE Business Plan began in the spring of 1996. “Managing For Results” (MFR) came into being in the early spring of 1998. The first Strategic Business Plan was published and distributed in September 2000.

In May 2001, the first MFR Seminar was held at the Maritime Institute of Technology to review the Business Plan and to prepare for the next edition. MCE has held to this schedule ever since. The latest version of the MCE Business Plan is distributed annually in September. During the fiscal year, progress toward achieving the strategies is reflected in Quarterly MFR Reports which are distributed to the administrative staff, plant managers, and unit supervisors.

Stability has been established in working towards attainment of the long-range goals and objectives by the accomplishment of the shorter term strategies. However, success of the plan is only achieved through cooperation and teamwork. Following are the key strategies pertaining to the achievement of the ten “Best Practices” components for reentry.

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Maintain ACA performance standards annually.
STRATEGY	Maintain ACA performance compliance annually.
PERFORMANCE MEASURES	Maintain ACA performance standards.
SUMMARY OF RESULTS	MCE was originally “ACA Certified” on August 10, 2009 and received ACA re-accreditation on August 8, 2012. “ACA Certification” covers (80) Performance Standards that must be met, listed under the major goals of Safety, Security, Order, Programs and Activity, Justice, and Administration and Management. 100% of the ACA Accreditation required files have been updated. The ACA Re-Accreditation Audit will take place at MCE on September 14-15, 2015.

2. FINANCIAL SUSTAINABILITY

Self-sufficiency and sustainability are essential to meet current and future obligations ensuring the long-term viability of a Correctional Industries program.

SALES

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	To achieve a 3% net operating income level every fiscal year through June 2017.												
STRATEGY	Analyze revenues and expenditures, including agency wide control of costs, on a monthly basis and take corrective action when necessary to ensure the objective.												
PERFORMANCE MEASURES	Net operating income level achieved in each fiscal year.												
SUMMARY OF RESULTS	The Chief Executive Officer conducts Gross Profit meetings with the committee members each month except for July, August, and September when financial data is not available due to the annual financial audit of MCE.												
	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Net Operating Income</td> <td>2.7%</td> <td>4.2%</td> <td>(1.2%)</td> <td>2.0%</td> <td>2.3%</td> </tr> </tbody> </table>	Fiscal Year	2011	2012	2013	2014	2015	Net Operating Income	2.7%	4.2%	(1.2%)	2.0%	2.3%
Fiscal Year	2011	2012	2013	2014	2015								
Net Operating Income	2.7%	4.2%	(1.2%)	2.0%	2.3%								
	From FY 2011 - FY 2015, MCE transferred a total of over \$4.0 million to the State of Maryland General Fund.												

OBJECTIVE	To achieve a 3% net operating income level every fiscal year through June 2017.
STRATEGY	Identify and focus sales efforts on high profit product groups.
PERFORMANCE MEASURES	Sales and profit increase of high profit product groups.
SUMMARY OF RESULTS	In FY 2015 MCE will focus and track sales regarding high volume (Quick Ship Sales). FY 2015 4th Qtr. Year-to-Date Quick Ship Sales: \$985 K, FY 2014 4th Qtr. Year-to-Date Quick Ship Sales: \$1,066 K.

OBJECTIVE	To achieve a 3% net operating income level every fiscal year through June 2017.
STRATEGY	Identify and implement quality improvements and cost reduction/avoidance programs each year.
PERFORMANCE MEASURES	Implement and document cost reduction/avoidance and measure quality assurance programs per fiscal year.
SUMMARY OF RESULTS	During FY 2015, cost reduction measures saved MCE almost \$160,000.

OBJECTIVE	To achieve a 3% net operating income level every fiscal year through June 2017.
STRATEGY	Update standard costs and selling prices on an annual basis.
PERFORMANCE MEASURES	Annually review and audit all Business Units' standard costs and selling prices for profitability.
SUMMARY OF RESULTS	At the close of FY 2015, the Finance Department completed both standard costs and selling price analyses for all MCE Business Units.

OBJECTIVE	Increase annual sales to \$56,000,000 by June 2017.					
STRATEGY	Annually review and update the Sales and Marketing Plan.					
PERFORMANCE MEASURES	Sales achieved in each fiscal year.					
SUMMARY OF RESULTS	Fiscal Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	Sales (Millions)	\$50.550	\$53.027	\$50.820	\$51.799	\$54.061
	Maryland Correctional Enterprises is prohibited by law from selling its products and services on the open market. Sales to State agencies in FY 2015 represented 97% of MCE's total sales, with 3% to non-State and not-for-profit agencies.					

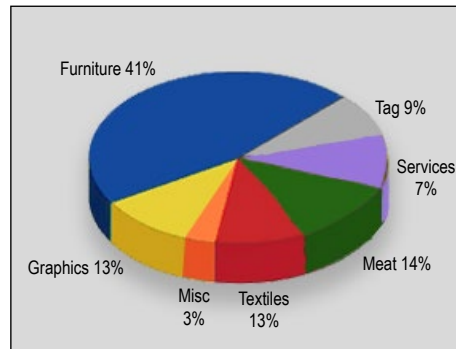
RANKING IN U.S.

Correctional Industries Sales Ranking for 2014

From data contained in the 2015 National Correctional Industries Association (NCIA) Directory

<u>Rank</u>	<u>State</u>	<u>FY 2014 Revenues</u>
1	California	\$190,567,374
2	North Carolina	91,039,202
3	Washington	76,039,290
4	Texas	73,423,129
5	Pennsylvania	69,018,000
6	Colorado	64,968,109
7	Florida	64,105,046
8	Illinois	52,373,000
9	MARYLAND	51,703,302 *
10	New York	49,072,387

FY2015 SALES BY INDUSTRY GROUP



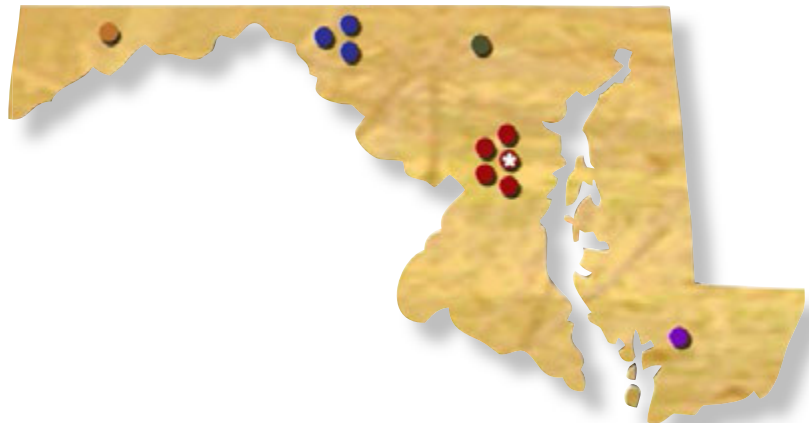
* Table lists unaudited revenues.
Actual revenues totaled \$51,799,493.

MCE has ranked in the top 10 in sales for the past 10 years

PLANT LOCATIONS

Western Correctional Institution
Maryland Correctional Institution Hagerstown
Roxbury Correctional Institution
Maryland Correctional Training Center
Central Maryland Correctional Facility

Jessup Correctional Institution
Maryland Correctional Institution - Jessup
Maryland Correctional Institution - Women
Patuxent Institution
MCE Headquarters/Central Warehouse
Eastern Correctional Institution



SALES - FISCAL YEAR 2015

BUSINESS UNITS	SALES
Jessup Correctional Institution	
Wood – office, lounge and dormitory furniture, tables, library shelving	2,899,615
Tag – metal motor vehicle license tags, picnic furniture	5,078,295
Sew – inmate uniform items, DPSCS officer uniform items	3,355,029
Maryland Correctional Institution – Jessup	
Graphics I – complete line of forms, reports, custom printing, magazines and related special products, four color printing	2,145,949
Graphics II – envelopes, business cards, letterhead, etc.	1,598,491
Quick Copy Service – digital b/w and color, high speed digital printing, binding, finishing, packaging, shipping, collating, stapling	417,425
Maryland Correctional Institution for Women	
Sew/Flag – shirts, gowns, bathrobes, flags, aprons, embroidery, sweatshirts	1,232,791
Mailing and Distribution – bulk mailing, distribution service, data entry	2,328,221
Design and Planning – office design using CADD system	0
Maryland Correctional Institution – Hagerstown	
Metal – shelving, beds, tables, wastebaskets, chairs, benches, lockers, storage, Flexstation office furniture	4,544,140
Metal (P.I.E.) – fabrication, painting and assembly of electrical switchgear components	51,791
Upholstery – task seating, side chairs, lounge furniture, multi-purpose seating	6,469,231
Meat – ground beef, chopped steaks, meat loaf, roasts, chops, ribs, hotdogs, lunch meats, sausage	7,528,643
Hagerstown Warehouse – backhaul operations, shipment of products produced in Hagerstown	93,248
Roxbury Correctional Institution	
RCI Graphics – file folders, interoffice envelopes, report covers, vinyl binders; production of MVA vehicle registrations and special orders	1,874,262
Recycling – recycling of aluminum and steel cans, cardboard, paper, pallets, and plastic	184,884
Agriculture – seasonal-landscape/tree and bay grass planting	388,983
Maryland Correctional Training Center	
Partition – work stations, office panels, sight screens, System XXI, PowerWorks	4,002,039
Brush & Carton – utility brushes & corrugated cartons, furniture assembly, toner remanufacturing	664,641
Western Correctional Institution	
WCI Furniture – laminated component parts and various furniture items (Volition, Aristotle & Darwin office furniture)	2,452,536
Eastern Correctional Institution	
Furniture Restoration – refinishing/restoration of wood, metal, and upholstered furniture	1,659,528
Textiles – towels, washcloths, hats, uniform clothing/shirts, embroidery, sewn and RF Seal mattresses	2,249,088
Patuxent Institution	
Sign – street signs, custom made signs to order, vehicle wraps, plaques, picture frames, laser engraving	772,076
Laundry Operations – CMCF, MCI-H, WCI, ECI	
Laundry – industrial cleaning of laundry for institutional and non-profit entities	1,108,630
Central Maryland Correctional Facility	
Cleaning Products – all-purpose and germicidal cleaners	610,469
Jessup Area	
Central Warehouse – shipment of all products produced at Baltimore metropolitan area prisons, moving, labor, and courier service	351,312
Total	54,061,317

CAPITAL PROJECTS - FY2015

Maryland Correctional Enterprises worked on Capital Project specifications in FY15 that totaled \$16.8 million. \$10.2 million was delivered in FY15. In FY16 an estimated sales value of \$12.6 million for Capital Projects will be delivered.

Total value of Capital Projects Delivered in FY2015: \$10.2 million

- Montgomery College (Bioscience Building)
- Towson University (Classroom/Office Building)
- Cecil Community College (Engineering and Math Building, PH2)
- UMBC (Performing Arts Building, PH2)
- Towson University (Burdick Hall Reno)
- College of Southern Maryland (CE Building)
- Harford Community College (Nursing and Allied Health Building)
- Coppin State University (Science and Technology Building)
- Department of Housing and Community Development (New Headquarters Building)
- Morgan State University (Business School: Part of building was installed)

DESIGN UNIT

As part of the MCE Sales Division, the Design Group is responsible for producing office layouts of the modular furniture line. The Design Group meets with customers to determine requirements and transfers these requirements via Auto CAD, into computerized design layouts which are then reviewed and approved by the customer. The Design Unit located at Maryland Correctional Institution for Women trains inmates in space planning, office design, the use of Auto CAD, and actually produces office design layouts for customer approval.

Projects developed by the Design Unit of MCE's Sales Division

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
No. of Projects	541	607	604	676	601
Sales Values (millions)	\$25.6	\$27.8	\$26.6	\$30.9	\$29.2

NEW PRODUCTS

Maryland Correctional Enterprises introduced the following new products in FY2015:

- Phantom Task Chair
- Open End Side Chair
- Learn 2 Strive™ Tablet Chair
- Scurry Stool
- Multi-Purpose Cabinet
- Mobile Lectern
- Tabletop Lectern
- Park Bench with Plastic Lumber
- DPSCS Physical Training T-Shirt
- Performance Polo Shirt
- Flag Presentation Set
- Desk Wedge

Phantom Task Chair



TOP 10 CUSTOMERS FY 2015

Ranking	Name	Amount	% Sales
1	Department of Public Safety & Correctional Services	\$13,140,736	24.3%
2	Department of Transportation	10,606,531	19.6%
3	University System of Maryland	8,767,632	16.2%
4	Community Colleges of Maryland	3,515,393	6.5%
5	Department of Health & Mental Hygiene	3,348,859	6.2%
6	Department of Housing & Community Development	2,016,564	3.7%
7	Department of Juvenile Services	1,632,610	3.0%
8	Morgan State University	1,396,116	2.6%
9	Department of Human Resources	1,327,339	2.5%
10	Department of Labor, Licensing & Regulation	1,181,628	2.2%
	Total	\$46,933,408	86.8%

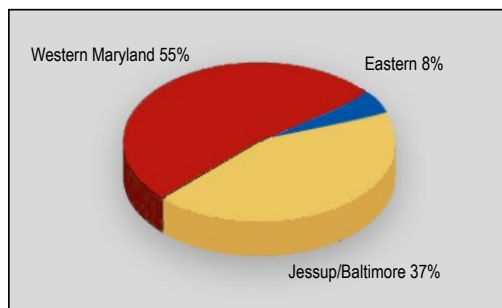
MCE Total Sales: \$54,061,317

Total Percent of MCE Sales: 86.8%

TOP 10 PLANT/SERVICE CENTERS FY 2015

	Plant/Services	Institution	FY2015 Sales	% Sales
1	Meat	MCI-H	\$7,528,643	13.9
2	Upholstery	MCI-H	6,469,231	12.0
3	Tag	JCI	5,078,295	9.4
4	Metal	MCI-H	4,544,140	8.4
5	Partition	MCTC	4,002,039	7.4
6	Sew	JCI	3,355,029	6.2
7	Wood	JCI	2,899,615	5.4
8	Furniture	WCI	2,452,536	4.5
9	Mailing & Distribution	MCI-W	2,328,221	4.3
10	Textiles	ECI	2,249,088	4.2
	Total		\$40,906,837	75.7

FY 2015 SALES BY REGION

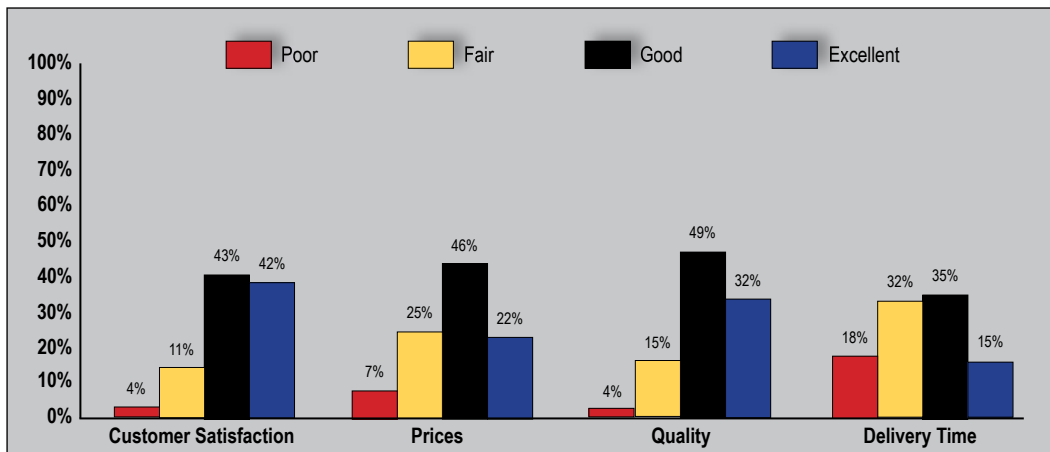


CUSTOMER SATISFACTION

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Determine the relative importance of customer satisfaction factors and take appropriate steps to address these issues.
STRATEGY	Annual customer survey to identify areas of customer needs.
PERFORMANCE MEASURES	Survey results and analysis annually.
SUMMARY OF RESULTS	The following graph represents Customer Surveys taken by MCE in FY 2015. Data was collected from 72 participants.

Overall Customer Ratings for MCE Products and Services - Fiscal Year 2015



The majority of respondents rated MCE **GOOD** overall in Customer Satisfaction, Prices, Quality and Delivery Time.

“QUICK SHIP”

In response to customer wishes to have a swifter delivery time of certain products, beginning July 1, 2002 MCE initiated a “Quick Ship” program. This program was available to all MCE customers and offered two types of desks, a bookcase, and two choices of chairs. Delivery time is within 15 business days, with a maximum quantity of five for any item. The “Quick Ship” program was placed on eMaryland Marketplace on November 1, 2002.

The program has been greatly expanded since inception and currently includes the following items:

- Canton Collection Furniture
- File cabinets
- Bookcases & Shelving
- Wastebasket
- MD & US Flags
- Bed Sheets, Pillowcases & Blankets
- Record Storage Boxes & File Folders
- Print on Demand Garment Printing
- Portfolios & Pad Holders
- Harbor Line Furniture
- Task & Side Seating
- Mattresses & Pillows
- Towels & Washcloths
- GP66 Cleaner
- Flexstation & Systems XXI Furniture

TECHNOLOGY

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Use of technology to enhance customer service and satisfaction.
STRATEGY	Improve MCE's infrastructure to align all processes which provide enhanced internal and external customer service.
PERFORMANCE MEASURES	Implement IT infrastructure by September 2015.
SUMMARY OF RESULTS	The ERP TORFP was released to vendors on December 9th by ITCD Procurement. A "Questions and Answers" meeting with vendors was held on December 18th. The due date of the proposal was February 23rd. No vendors responded under the DoIT FA8. The decision was made to republish the TORFP as an RFP. MCE's clarification and additional updates were sent to DPSCS Purchasing via ITCD on March 24, 2015 to convert the TORFP into an RFP and prepare for reissue. To date the ERP RFP has not had enough activity by DPSCS Purchasing to prepare the document for submission to DoIT Purchasing for approval.

GREEN INITIATIVES

ENVIRONMENTALLY PREFERRED PURCHASING (EPP)



All State Agencies have been tasked with reporting the use of recycled content in purchases

EPP is documented in the Maryland Green Purchasing Guidelines developed to meet the Green Maryland Act of 2010 in the State Finance and Procurement Articles §14-405 of the Annotated Code of Maryland.

ENVIRONMENTALLY PREFERRED PRODUCTS

Improving Quality of Life With Products You Can Trust



MCE has a large assortment of environmentally-friendly, high quality products and services. MCE has strategically partnered with suppliers who support our vision by contributing their experience and knowledge. Incorporating sustainable fabrics and design elements which utilize recycled and recyclable materials, ergonomic benefits and superior service life, enables MCE to keep striving towards reducing our carbon footprint.

Remanufactured Toners



Our premium black laser toner cartridges use top quality components and have been carefully engineered and tested using the latest technology and process to perform equal to or exceed Original Equipment Manufacturers (OEM) standards. MCE can provide the most popular brands of toner cartridges with significant cost savings and is backed by our 100% customer satisfaction guarantee.

LED Task Lights

Low profile task lights are low on energy consumption and big on features:

- Long lifecycle - 50,000 hours
- Uses 40 - 75% less energy than comparable T5 fluorescent fixture
- High recycled material content
- Easy to recycle at end of use
- Made in the USA



Cleaning Products



MCE offers a complete line of CorrectPac® cleaning products. These concentrated, pre-measured products are Green Seal Certified for maximum safety. The sustainability of these products helps to protect the planet which leads to prosperous communities and strong economies. Visit the MCE website for available products.

As a recognized member of the

SCS Global Services Indoor Air Quality Certification Program,

these products offer a more responsible choice for a healthier environment, which will increase productivity by creating clean indoor air.

To obtain printable product certificate visit www.scsglobalservices.com.



Seating		Systems Furniture	Tables	Accessories
Alt 3	Ithaca Ultra	Flexstation	Venue	Power-up
Alta	Severn	Amberg	Barron	Venus Overhead
Dorsal	Bel Air	Powerworks	Portico	Series XXI Files
Engage	Bel Air Jr.	Systems XXI	Novel	Tablet Arm
New Windsor	Dakota	Volition	Data Link	
Pilot	Engage Stool	Genesis		
Preston	Rockville Cafe'			
Rockville	Severn Cafe"			

MCE has also developed several programs focused on improving the world around us, including:

- Recycling services (over 1,200 tons of paper, cardboard, plastic, steel, and aluminum in FY2015).
- Planting bay grasses to prevent erosion on the Chesapeake Bay shorelines.
- Building oyster cages to benefit the filtration process to maintain the cleanliness of the Chesapeake Bay and its tributaries.
- Planting trees for the reforestation of disturbed land.
- Offering "Green" or recycled fabrics.



3. STAFF RECRUITMENT, DEVELOPMENT & RETENTION

It is important to recruit individuals capable of performing the job today with the capacity to grow to meet the future needs of the organization. Staff as technical experts, work coaches and mentors are critical to the overall success of a Correctional Industries program.

Maryland Correctional Enterprises is committed to actively recruiting qualified managerial and production staff who are committed to the mission of the organization. The agency ensures employees have the tools to do their jobs through certified correctional training. Due to the decline in manufacturing and the rise of service industries in the United States, recruiting workers who are skilled in certain trades – i.e. meat cutting, wood workers, tractor trailer drivers etc. – has become a challenge. MCE has worked to expand its recruitment efforts to target the private sector. MCE also likes to develop staff and promote from within. Promoting from within has allowed MCE to retain talented staff. MCE also hires exoffenders. In FY 2015 eleven ex-offenders were employed by MCE.

Note: Refer to “Practicing What We Preach” on page 26.

(from MCE’s Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Increase inmate employment to 2,310 by June 2017.
STRATEGY	Obtain necessary supervisory and support staff positions to include obtaining legislation to allow MCE to have hiring autonomy.
PERFORMANCE MEASURES	Increase number of civilian staff in order to ensure a safe, secure, and efficient workplace to coincide with increased inmate level.
SUMMARY OF RESULTS	In FY 2015, five years of data from the National Correctional Industries Association revealed an average Civilian Staff/Inmate Employee Ratio of 1:9.6. Six years of MCE data reveals an average Civilian Staff/Inmate Employee Ratio of 1.11.6 and an average Supervisor/Inmate ratio of 1.18.2.

Fiscal Year	MCE					NCIA		
	Civilian Staff	Plant Supervisors	Inmates Employed	Civilian/ Inmate Ratio	Supervisor/ Inmate Ratio	Civilian Staff	Inmates Employed	Civilian/ Inmate Ratio
2010	187	109	2,047	1:10.9	1:18.8	7,705	74,750	1:9.7
2011	171	104	1,855	1:10.8	1:17.8	6,612	70,507	1:10.7
2012	176	115	2,065	1:11.7	1:18.0	6,702	67,891	1:9.9
2013	174	116	2,038	1:11.7	1:17.6	6,953	65,288	1:9.4
2014	170	115	2,091	1:12.3	1:18.2	6,946	56,263	1:8.1
2015	165	108	2,041	1.12.4	1.18.9			



4. STAKEHOLDERS

Correctional Industries operate within three spheres of influence: government, business and societal. It is important to understand the stakeholder requirements and the impact of each one, as well as their relationship to each other.

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Improve MCE's visibility among our customer base and other stakeholders.		
STRATEGY	Identify and educate customers and stakeholders.		
PERFORMANCE MEASURES	At least (12) presentations annually to new customers/stakeholders.		
SUMMARY OF RESULTS	Throughout FY2015, MCE displayed at the following Conventions:		
Green Purchasing Committee	July 17, 2014	Maritime Institute, MD	
MD Association of Counties (MACO)	August 13-16, 2014	Ocean City, MD	
MD Association of Boards of Education (MABE)	October 1-3, 2014	Ocean City, MD	
Department of Natural Resources (DNR) - Field Day	October 1, 2014	Rosaryville State Park, MD	
Police & Correctional Training Commissions (PCTC) Instructor Conference	October 9, 2014	Maritime Institute, MD	
Association of School Business Officials (ASBO)	November 7, 2014	Maritime Institute, MD	
Maryland Public Purchasing Association (MPPA) Trade Show	November 20, 2014	Woodlawn, MD	
MD Association of Counties (MACO)	January 7-8, 2015	Cambridge, MD	
MD Association of Elementary School Principals (MAESP)	April 24, 2015	Ocean City, MD	
MD Library Association (MLA)	May 6-8, 2015	Ocean City, MD	
Association of School Business Officials (ASBO)	May 17-20, 2015	Ocean City, MD	
MD Correctional Administrators Association (MCAA)	May 31-June 2, 2015	Ocean City, MD	
MD Firemen's Association (MFA)	June 22-24, 2015	Ocean City, MD	
MD Municipal League (MML)	June 28-July 1, 2015	Ocean City, MD	
Additionally, (15) tours of MCE's Business Units were conducted throughout Fiscal Year 2015.			

MANAGEMENT COUNCIL

(Defined in Section 3-521 of the Correctional Services Article)

The Management Council acts as a Board of Directors and serves in an advisory capacity on MCE issues including the establishment of new industries, inmate employment and training, reviewing occupational health and safety needs, the Prison Industry Enhancement (P.I.E.) Program, customer satisfaction, and budget review.

	<u>Name</u>	<u>Affiliation</u>
Management Council Members	The Honorable John W.E. Cluster, Jr.	State Delegate and Council Chair
	Vacant	Senator
	Mr. Wayne Webb	Commissioner, DOC
	Mr. Stephen M. Shiloh	Chief Executive Officer, Maryland Correctional Enterprises
	Judge Pamela J. Brown	Associate Judge, District Court of Md., District 10, Howard Co.
	Mr. Jerome W. Klasmeier	Assistant Comptroller
	Ms. Barbara Bice	Maryland State Department of Education
	Ms. Sarah Myers	Governor's Office of Crime Control and Prevention
	Ms. Alice Wirth	Department of Labor, Licensing, and Regulation
	Mr. Joseph Evans	University System of Maryland
	Mr. Fred D. Mason, Jr.	MD/DC AFL-CIO
	Mr. Leonard G. (Bud) Schuler	Plumbers and Steamfitters Local 486
	Mr. Jack Weber	Uptown Press, Inc.
	Mr. Philip Holmes	Center for Automotive Careers, Vehicles for Change
Mr. Melvin Forbes	Wilkerson Sports Enterprise	

CUSTOMER COUNCIL

(Defined in Section 3-528 of the Correctional Services Article)

The Customer Council serves in an advisory capacity on MCE issues concerning products, sales, customer satisfaction, marketing, and performing an annual review of the MCE Catalog and Business Plan.

	<u>Name</u>	<u>Affiliation</u>
Customer Council Members Mr. Stephen M. Shiloh MCE CEO and Council Chair Ms. Ashley Lohr Staff Assistant	Mr. John West	Department of Budget and Management
	Ms. Lisa Jones	Department of Business and Economic Development
	Ms. Nancy Hevey	Department of General Services
	Mr. Curtis Murray	Department of Human Resources
	Mr. Mark Furman	Maryland Department of Transportation
	Mr. David Beard	Maryland Higher Education Commission
	Ms. Sandra Filippi	Montgomery College
	Ms. Lois Whitaker	Morgan State University
	Mr. Thomas Jackson	Department of Health and Mental Hygiene
	Mr. Renard Brooks	Baltimore City Mayor's Office
	Mr. Joe Sommerville	MCE Resource to the Council
	Mr. Todd Deak	MCE Resource to the Council
Ms. Lida Poole	MCE Resource to the Council	

COMMUNITY OUTREACH

MCE is committed to creating positive social change through community outreach and stewardship. Volunteering reinforces the moral values MCE aims to instill in its inmate employees. MCE has participated in many volunteer programs, including:

- Preparing hundreds of turkeys annually for the Bea Gaddy Thanksgiving dinner in Baltimore
- Donating food and apparel to the Special Olympics
- Manufacturing tote bags for the House of Ruth in honor of National Crime Victims' Rights Week
- Participating in tree planting programs to restore the Antietam National Battlefield
- Donating laundry services annually for various "Bras for a Cause" breast cancer awareness events
- Manufacturing clothing donation boxes for the Children In Need charity

In the fall of 2014, MCE participated in several volunteer initiatives.

Beginning in July 2014, MCE partnered with Children In Need to provide underprivileged children with the resources needed to begin the school year. MCE manufactured and donated five drop boxes that were placed throughout Washington County for the collection of gently used clothing and shoes. In addition, MCE also sponsored an employee school supply drive.

In October, MCE began collecting new or gently used bras for the Katie Walls' Bras for the Cause event. Throughout the month of October, MCE collected bras. Following the counting party on November 1st, MCE donated its services by laundering all donated bras.

In support of breast cancer research, Graphics Plant No. 149 manufactured and donated several items to the Roxbury Correctional Institution Breast Cancer Awareness Fundraiser. The donated items included shirts, decals, notepads and binders.

MEDIA RECOGNITION

INMATES GIVE BACK THIS HOLIDAY SEASON

Your4State – Morgan Wright
November 13, 2014

“HAGERSTOWN, Md - Inmates from Maryland Correctional Enterprises once again unloaded trucks and started preparing turkeys for the less fortunate, in an annual tradition of using the opportunity to give back.

“We seldom have an opportunity to give back to the community,” said inmate Michael Ringgold. “What I did to get me here took away from the community, and this is something that I cherish. This is something that I really enjoy, being able to give back knowing that it’s helping somebody.”

Inmate workers will be in charge of preparing, processing and cooking the nearly 400 turkeys this year for the Bea Gaddy Thanksgiving feast in Baltimore. They have done so for over 20 years.



INMATES HELP OUT BREAST CANCER FUNDRAISER BY WASHING BRAS

Carroll County Times – Sarah Hainesworth
December 19, 2014

SYKESVILLE — For Kirk Fleet, having the opportunity to give back to breast cancer initiative Bras for a Cause is meaningful in more ways than one. Fleet was one of several inmates at the Central Maryland Correctional Facility in Sykesville on Thursday who washed, dried and folded bras that will be donated to area women’s shelters.

New and gently used bras were collected at Plaza Ford in Bel Air during the month of October, and for each bra collected, \$1 was donated to Upper Chesapeake Cancer LifeNet, a program offered by the Harford County hospital that helps patients find the services they need to balance work, family and cancer treatment.

Bras for a Cause has been running since 2009, when WFRE radio station led collection in Frederick and gathered over 13,000 bras at its peak.

This year, the first year bras were collected at Plaza Ford, more than 2,300 bras were donated.

With the large industrial washers and dryers at MCE’s Sykesville location — formerly known as the Central Laundry Facility — cleaning the bras was no problem for the inmates.



GATEKEEPERS PROGRAMS AIMED AT LOWERING EX-INMATE RECIDIVISM RATE

Herald Mail Media – Don Aines
January 18, 2015

The vast majority of prison inmates will be released one day, and it is in the community's interest for them to find jobs and become contributing members of society, according to Bill Gaertner, the director of Gatekeepers.

The recidivism rate has been declining in Maryland in recent years and is considerably lower than most states, according to Mark Vernarelli, a spokesman for the Maryland Department of Public Safety and Correctional Services.

The recidivism rate for Maryland prison inmates is 40.5 percent, according to the most recent figures, down from 48 percent a few years ago, Vernarelli said in an email.

"It's measured in three-year increments," Vernarelli said. "If you're in the system with a new crime or violation within three years of release, you're a recidivist."

The state rate is well below the national level.

The Bureau of Justice Statistics last year released the results of a study of 400,000 inmates in 30 states conducted from 2005 to 2010. During that period, the recidivism rate for inmates was 68 percent after three years and 77 percent after five years, the report said.

Vernarelli said the department has a number of programs aimed at giving inmates a better shot at success once they are released, including MD Correctional Enterprises and Community Mediation. MD Correctional Enterprises trains and works inmates in industries and businesses and sell their products and services only to nonprofit groups and to state and local governments, he said.

The self-supporting agency works with about 2,000 inmates each month in products and services, ranging from making license plates and furniture, to landscaping and computer-designed room layouts, he said.

"Furthermore, our MD Correctional Enterprises inmates who work at least one year on the job recidivate at about half the rate of all inmates in general — about 22 percent," Vernarelli said.



5. PRIVATE INDUSTRY ENVIRONMENT

The more Correctional Industries utilize the same processes, controls, equipment, and procedures as private industry, the better prepared the offender will be to find employment and successfully transition to the private sector.

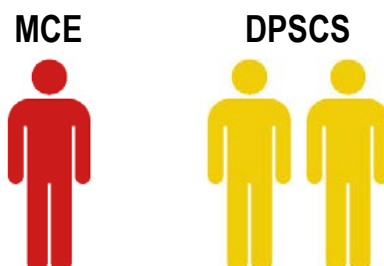
Maryland Correctional Enterprises (MCE), the prison industry arm of the Maryland Department of Public Safety and Correctional Services (DPSCS), provides an environment for the operation of correctional industries that resembles the environment for the business operations of a private corporate entity as closely as possible. Inmates are taught job skills and are provided with constructive employment, which lead to the development of both technical and social skills, and improve the employability of the inmate upon release. The training and employment with MCE has resulted in recidivism rates which are half of the DPSCS rate. Furthermore, the training and employment of inmates reduces idleness, which is a leading cause of violence and disruptions in prisons. Even the prospect of obtaining employment with Maryland Correctional Enterprises serves as a deterrent to disruptive behavior in the prisons as the eligibility requirements for inmates are to be infraction free for the last three months and to possess a high school diploma or G.E.D. Maryland Correctional Enterprises has increased sales and inmate employment. This has been due to expansion, the introduction of new products and services, the upgrading of furniture lines, improved quality control, and improved customer service.

DELIVERY TIME

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	To meet or exceed industry standards for delivery time by product grouping.									
STRATEGY	Define Industry Standards for product groupings to include evaluation and analyses of order process, production, and delivery.									
PERFORMANCE MEASURES	Actual delivery times and monthly value of overdue orders.									
SUMMARY OF RESULTS	Fiscal Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>				
	Average Time (Days)	23.4	23.5	26.2	31.3	25.4				
AVERAGE DELIVERY TIMES										
Graphics - 2 Weeks	Textiles - 6 Weeks	Furniture - 7 Weeks	Miscellaneous - 2 1/2 Weeks							
TOTAL FOR 12 MONTH PERIOD ENDING - JUNE 30, 2015										
	<u>1 - 30 Days</u>		<u>31 - 60 Days</u>		<u>61 - 90 Days</u>		<u>Over 90 Days</u>		<u>Average Delivery Time</u>	
	Number of Deliveries	%	Number of Deliveries	%	Number of Deliveries	%	Number of Deliveries	%	Number of Deliveries	Days
Totals	6,068	73.8	1,351	16.4	502	6.1	307	3.7	8,228	25.4

MCE recidivism rates are half the number of DPSCS recidivism rates

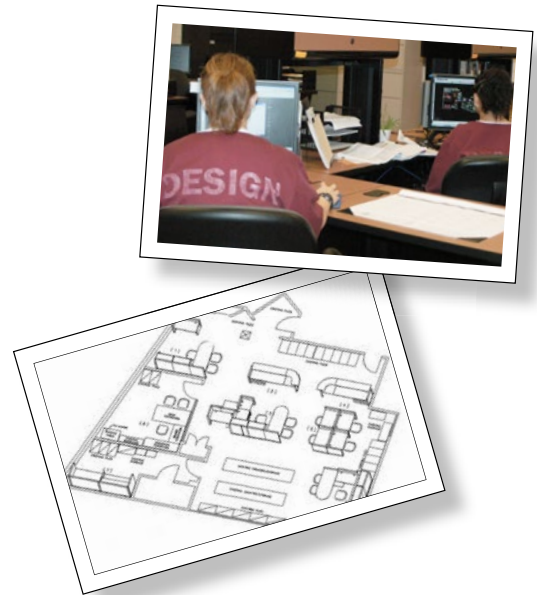


6. CERTIFICATE -BASED SOFT SKILLS TRAINING

A certificate-based training process creates standards and structure for soft skills attainment. These skills, reinforced through the Correctional Industries environment can significantly improve offender behavior while incarcerated and promote successful reentry.

LEARNING FOR LIFE

MCE's "Learning for Life" core principles focus on performance based job skill training and educational programs structured for the inmate workers. A large part of MCE's mission is to teach strong work ethics, increased responsibility and self esteem to create positive personal change. MCE's programs produce significantly lower recidivism rates, which ultimately contributes to more productive citizens and safer communities. MCE strives to provide its 29 business units with industry standard production equipment and an environment that closely mirrors society's workforce. Among these business units is MCE's Design Plant, located at Maryland Correctional Institution for Women (MCI-W). The Design Plant started in January 2001. This business unit offers design services to meet architectural needs for both general and capital projects. Some of the plant's satisfied customers include Maryland state universities, community colleges, Maryland State Police and Department of Health and Mental Hygiene. The Plant utilizes and provides training on industry standard computer software such as Auto CAD, a drafting program that enables users to create precise two and three dimensional drawings used in construction and manufacturing. The plant also provides training on scanning and duplicating files, converting blue prints to electronic files and converting electronic files to blue prints, organizational skills, computer skills, customer service, billing, analytical thinking and teamwork.



The inmate workforce allows MCE to maintain a self-supporting status and to increase the number of offenders employed while instilling transferable job skills, positive work ethics and a sense of accomplishment. On a daily basis MCE continues to build positive pathways with job skills training and an evolving line of quality goods and services to make MCE's Learning for Life core principles a reality. MCE offers more than just products and services - MCE offers a changed life, a positive economic impact and a better future.

The certification from the CARES program includes the Thinking For a Change three month curriculum. This emphasizes soft skills in the social area. The Employment Readiness curriculum emphasizes soft skill development in the work area. Both sessions together round out the social and work ethics basic to successful reentry.

7. CERTIFIED TECHNICAL SKILLS TRAINING

Certifications earned through technical skills training are a reliable predictor of workplace success and are essential to gainful attachment to the workplace upon release.

MCE's Meat Plant provides inmates with valuable meat cutting training and experience that helps them prepare for employment in the meat industry upon release. The Meat Plant is located at the Maryland Correctional Institution in Hagerstown. Many inmates have received training through a Meat Apprenticeship program certified by Hagerstown Community College and facilitated by MCE personnel. Several of the men who have gone through the program have obtained employment as Meat Cutters at supermarkets throughout the state. Some workers have also found warehouse employment in the shipping and packing departments, which are major parts of the Meat Plant's operation.

In addition to the CARES graduation certification, every year inmate workers are presented a training certificate by their plant manager of the number of days (and years) they were cumulatively employed and their job description. This is placed into their records and is available for their resume as an attachment documenting their experience.

8. OFFENDER JOB OPPORTUNITIES

Providing the greatest number of job opportunities for the offender population is critical to the overall impact that Correctional Industries has on reentry and recidivism.

RANKING IN U.S.

Correctional Industries Inmate Employment Ranking for 2014

From data contained in the 2015 National Correctional Industries Association (NCIA) Directory

<u>Rank</u>	<u>State</u>	<u>Inmates Employed</u>
1	Texas	4,901
2	California	4,499
3	Florida	2,186
4	MARYLAND	2,091
5	New York	2,089
6	North Carolina	2,029
7	Washington	1,621
8	Pennsylvania	1,545
9	Colorado	1,501
10	Ohio	1,360

**MCE has ranked
in the top 10
in inmate employment
since 2008**

*Maryland ranks 21st
in correctional population and
19th in state population*

INMATE EMPLOYMENT

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Increase inmate employment to 2,310 by June 2017.					
STRATEGY	Increase inmate employment through expansion of existing facilities, the creation of new business units, and the identification of additional inmate job functions.					
PERFORMANCE MEASURES	Inmate employment levels each fiscal year will increase.					
SUMMARY OF RESULTS	Fiscal Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	Inmates	1,855 ¹	2,065	2,038	2,091 ²	2,041
	¹ During FY2011, elimination of PINS via budget cuts and MCE's forced participation in the VSP negatively affected inmate employment.					
	² MCE was forced to close its Upholstery Plant at NBCI in October 2013 due to the continuing Lock-down situation at that Institution. This action resulted in the loss of 25 inmate positions.					
In FY 2015, MCE provided over 2.99 million hours of inmate employment/training and touched the lives of 2,990 inmates.						
Note: Refer to "A Look Ahead" on page 21.						

INMATES EMPLOYED - FISCAL YEAR 2015

BUSINESS UNITS	NUMBER OF INMATES
Jessup Correctional Institution	
Wood – office, lounge and dormitory furniture, tables, library shelving	208
Tag – metal motor vehicle license tags, picnic furniture	71
Sew – inmate uniform items, DPSCS officer uniform items	140
Maryland Correctional Institution – Jessup	
Graphics I – complete line of forms, reports, custom printing, magazines and related special products, four color printing	117
Graphics II – envelopes, business cards, letterhead, etc.	51
Quick Copy Service – digital b/w and color, high speed digital printing, binding, finishing, packaging, shipping, collating, stapling	37
Maryland Correctional Institution for Women	
Sew/Flag – shirts, gowns, bathrobes, flags, aprons, embroidery, sweatshirts	130
Mailing and Distribution – bulk mailing, distribution service, data entry	100
Design and Planning – office design using CADD system	15
Maryland Correctional Institution – Hagerstown	
Metal – shelving, beds, tables, wastebaskets, chairs, benches, lockers, storage, Flexstation office furniture	91
Metal (P.I.E.) – fabrication, painting and assembly of switchgear components	0
Upholstery – task seating, side chairs, lounge furniture, multi-purpose seating	79
Meat – ground beef, chopped steaks, meat loaf, roasts, chops, ribs, hotdogs, lunch meats, sausage	75
Hagerstown Warehouse – backhaul operations, shipment of products produced in Hagerstown	24
Roxbury Correctional Institution	
RCI Graphics – file folders, interoffice envelopes, report covers, vinyl binders; production of MVA vehicle registrations and special orders	131
Recycling – recycling of aluminum and steel cans, cardboard, paper, pallets, and plastic	87
Agriculture – seasonal-landscape/tree and bay grass planting	0
Maryland Correctional Training Center	
Partition – work stations, office panels, sight screens, System XXI, PowerWorks	29
Brush & Carton – utility brushes & corrugated cartons, furniture assembly, toner remanufacturing	20
Western Correctional Institution	
WCI Furniture – laminated component parts and various furniture items (Volition, Aristotle & Darwin office furniture)	34
Eastern Correctional Institution	
Furniture Restoration – refinishing/restoration of wood, metal, and upholstered furniture	131
Textiles – towels, washcloths, hats, uniform clothing/shirts, embroidery, sewn and RF Seal mattresses	119
Patuxent Institution	
Sign – street signs, custom made signs to order, vehicle wraps, plaques, picture frames, laser engraving	57
Laundry Operations – CMCF, MCI-H, WCI, ECI	
Laundry – industrial cleaning of laundry for institutional and non-profit entities	258
Central Maryland Correctional Facility	
Cleaning Products – all-purpose and germicidal cleaners	6
Jessup Area	
Central Warehouse – shipment of all products produced at Baltimore metropolitan area prisons, moving, labor, and courier service	31
Total	2,041

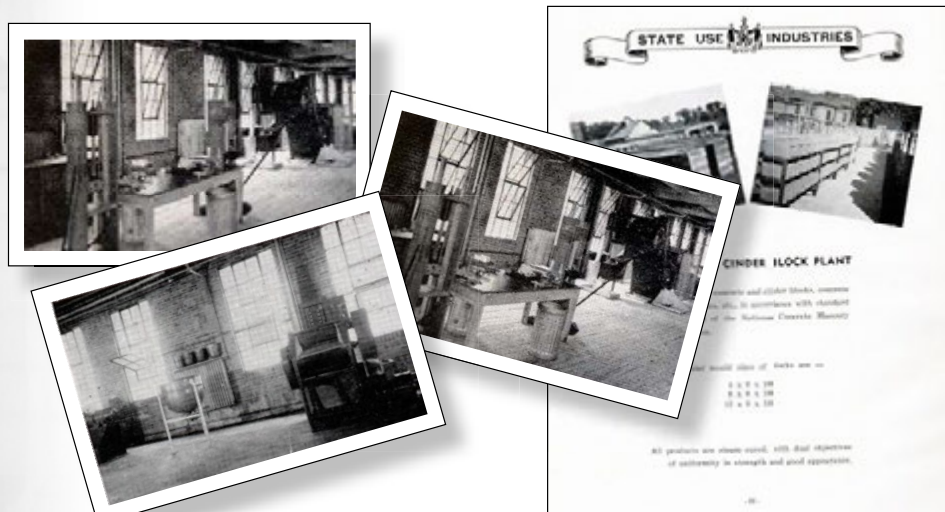
A LOOK BACK

Prison industry programs in Maryland have been authorized since at least 1916, and in the United States since the 19th century. Poor prison work conditions, inmate exploitation, and the advent of the Depression caused Congress to enact legislation making the transport of prisoner-made goods in interstate commerce a federal criminal offense and prohibiting the use of prison labor to fulfill federal contracts in excess of \$10,000. "State Use Laws" were passed which required units of state governments to purchase products made by prison industries programs. In Maryland, this culminated in 1941 in the creation of State Use Industries (SUI) as a unit within the Maryland Division of Correction.

In the late 1970's prison populations began growing rapidly and several riots occurred throughout the country, including the disastrous 1978 Pontiac, Illinois prison riot, which led directly to Senator Charles Percy (R-Ill.) to draft the Prison Industry Enhancement (PIE) Act (Section 827 of the Justice System Improvement Act of 1979), enacted on December 27, 1979. This legislation and rising prison populations led to a gradual resurgence of correctional industries to supply items such as: clothing, beds, mattresses, etc.

Maryland State Use Industries (SUI) experienced extreme financial difficulties that constantly plagued the program into the 1980's. In fact, SUI had to borrow \$2.0 million from the State (FY1983 Operating Loan). In an effort to reverse this trend, the General Assembly enacted the State Use Industries Act, effective July 1, 1981. Increased sales and the amelioration of the stigma associated with inmate-made goods were established as major goals by SUI. The entire line of products was completely revamped, with emphasis on production, marketing and customer service. The \$2.0 million loan from the State was paid back to the State in FY1989 and FY1990. As sales increased, SUI became self-supporting. Increased sales also permitted an expansion of SUI. Thus, the modern era of State Use Industries began in 1982 with the creation of the State Use Industries Act, Article 27, 680-681K of the Annotated Code of Maryland. In FY2000, the State Use Industries Act was rewritten as the Correctional Services Article (Sections 3-501 through 3-528).

In 2005, Senate Bill No. 136, was approved by the General Assembly changing the name of "State Use Industries" to "Maryland Correctional Enterprises" (MCE) effective October 1, 2005. The name change was necessary in order to convey the message that MCE is a business entity and is allowed to serve non-profit organizations and political sub-divisions of the State in addition to units of State government.



A LOOK AHEAD

MCE RENOVATION PROJECT

In September 2013, MCE acquired the Department of General Services (DGS) vacant 60,000 sq. ft. State Surplus Warehouse located at 8037 Brock Bridge Road. A program for the renovations to the building was completed and submitted to the Division of Capital Construction on February 11, 2014. The facility will undergo major renovations which will result in a MCE warehouse, showroom, office space, and a conference center. On July 2, 2014, lead paint and asbestos testing was performed at 8037 Brock Bridge Road by Jenkins Environmental. The results of the testing showed no asbestos. The badly peeling paint was found to be non-lead, while the deck, fire doors, support columns and metal windows proved to be positive for lead paint.

Meetings were held between MCE and the Division of Capital Construction on November 5, 2014 and March 31st, April 16th, and June 3rd of 2015 to discuss the Request For Proposal (RFP) for the Warehouse Renovation Project. The RFP is scheduled to be on eMaryland Marketplace in early FY 2016.

MCE EXPANSION PROJECTS

1. New 21,000 sq. ft. MCE Graphics/Textile Plant at Jessup Correctional Institution (180 inmate positions).

Design funding is anticipated in FY 2018 for a 21,000 sq. ft. pre-engineered metal building to house a Graphics/Textile Plant. A revised program was submitted to the Division of Capital Construction on October 24, 2013. The revised program reflects the transfer of the existing Sew Plant at JCI (which is currently housed in an old warehouse without temperature / humidity control) and the transfer of the Graphics Envelope operation from MCI-J.

In December 2014, the site of the new JCI Graphics/Textile Plant was selected and approved.

2. MCE Furniture Restoration Plant Expansion at Eastern Correctional Institution. Construction Start FY 2019. Design Funding is anticipated in FY 2018.

The program for a 2,500 sq. ft. addition to the MCE Furniture Restoration Plant at the Eastern Correctional Institution was completed and forwarded to the Division of Capital Construction on November 8, 2011. The pre-engineered metal building will be 2,500 sq. ft. and will allow the employment of 25 additional inmates. This new section of the building will allow for a dust-free drying area and will eliminate the "temporary" area enclosed by vinyl curtains. This will be a design/build project.

3. New MCE Distribution Center at Eastern Correctional Institution (15 inmate positions). Construction Start FY 2021. Design Funding is anticipated in FY 2020.

In order to decrease multiple handlings of items and to provide a dry, secure area to store manufactured goods, a program for a MCE Distribution Center at Eastern Correctional Institution (ECI) was prepared. This program is for a 10,000 sq. ft. pre-engineered metal MCE Warehouse building and a 20,000 sq. ft. area for truck turn-around and trailer/truck parking, to be located outside the fence at ECI. The program was completed and submitted to the Division of Capital Construction on January 31, 2012.

4. New MCE Systems Furniture/Textile at the Maryland Correctional Training Center. Construction Start FY 2024.

New 40,000 sq. ft., two-story Systems Furniture/Textile Plant at the Maryland Correctional Training Center. The program was submitted to the Division of Capital Construction on May 6, 2005. This new building will house a Systems Furniture plant producing those items currently being made in the MCTC Partition Plant, specifically "Power Works" and "Systems 21" furniture. Not only will a larger facility allow for the storage of raw materials and for the complete production of the new system furniture lines, but will also allow for the storage of finished product and eliminate the transporting of sub-assemblies between plants. The second floor will have a 20,000 square foot textile operation. The entire operation will employ 120 MCTC inmates.

A new MCE Business Unit will be established in the existing Partition Plant (20 inmate positions).

- 5. New MCE Meat Processing Plant at Maryland Correctional Training Center (80-120 inmate positions). Construction Start FY 2024.

New 25,000 sq. ft. Meat Processing Plant at the Maryland Correctional Training Center. The program was submitted to the Division of Capital Construction on June 15, 2007. Due to increasing demand and the introduction of new meat products, the existing Meat Plant lacks sufficient space and equipment to increase or maintain current production. The production area is overcrowded, more smokehouses are required, and additional freezer space is necessary. The space parameters dictated when the facility was constructed in 1992 and the proximity to MCI-H roads and perimeter fence prevent any internal or external expansion. Therefore, a new MCE Meat Processing Plant with sufficient space for production, and with sufficient smokehouses and freezer capabilities will solve this problem. The facility will employ 80-120 inmates.

The existing Meat Plant will be utilized to begin a new product line of processed fish items.

PRISON INDUSTRY ENHANCEMENT (PIE) PROGRAM



Prison Industry Enhancement allows Maryland Correctional Enterprises to enter into partnerships and be a sub-contractor to private industry by producing goods and/or services using inmate labor. Inmates under the PIE program must be paid the industry prevailing wage and no less than the federal minimum wage. Deductions are allowed from the inmates' wages for taxes, room and board, family support and contributions to a victims' compensation program, (the DPSCS Criminal Injuries Compensation Board). Benefits to the private sector include a stable and motivated work force, reduced overhead, production availability, an alternative to "off-shore" operations, and a label affixed to the product which can state ...

“Made in the USA”

Effective August 28, 1992, Maryland Correctional Enterprises was granted “provisional” certification from the Bureau of Justice Assistance for the Prison Industry Enhancement (PIE) Program. Upon successful completion of the final piece of necessary legislation (HB 583 was signed into law on May 1, 1994), Maryland Correctional Enterprises was granted full certification on March 2, 1995 by the Bureau of Justice Assistance.

During the summer of 2014, the National Correctional Industries Association conducted a review of MCE's PIE program. In a letter dated January 23, 2015, the Bureau of Justice Assistance stated that MCE's certified PIE project is in total compliance with all PIECP requirements.

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Increase inmate employment to 2,310 by June 2017.
STRATEGY	Develop private industry partnerships
PERFORMANCE MEASURES	Pursue new PIE partnerships each fiscal year.
SUMMARY OF RESULTS	Two potential P.I.E. programs are being explored. One involves the MCE Meat Plant and the other involves the Design Unit.

9. OFFENDER EMPLOYMENT READINESS AND RETENTION

Creating a culture focused on offender reentry success through employment readiness leads to employability and job retention after release

(from MCE's Strategic Business Plan, FY 2015-2017)

OBJECTIVE	Monitor, evaluate, and enhance MCE CARES
STRATEGY	Partner with State, county and local organizations to increase the effectiveness of the CARES program for eligible participants.
PERFORMANCE MEASURES	Monitor the outcomes established by MCE CARES (Enrollment, Completion, Employment, Recidivism).
SUMMARY OF RESULTS	
<p>1. On July 1, 2008, MCE implemented CARES (Continuing Allocation of Reentry Services) as an option for interested inmate workers to be involved in an intense career readiness training that would increase their opportunity to secure civilian employment upon release. MCE CARES is completely voluntary for an inmate worker and in order to be accepted for participation they must have received recommendation from their plant manager and have been employed with a MCE plant for a minimum of a year. Once accepted they will be transferred to Central Maryland Correctional Facility to work in the MCE Laundry and participate in the 6-month program</p> <p>2. Currently, MCE CARES is a robust 6-month attitudinal and career readiness training that introduces participants to over 70 hours of the certificate based soft skills program, Thinking-For-A-Change. In addition, program participants receive over 70 hours of intense career readiness training. Along with learning how to transfer their employment experience that they have gained working for MCE in the civilian sector, they also receive 15 hours of basic computer training and in partnership with Michelle Singletary and Prosperity Partners ministry; participants receive 10 hours of financial literacy. Participants of the MCE CARES program have the opportunity to receive advanced training from a team that collectively has over 30 years of experience delivering various levels of impactful transitional readiness services.</p> <p>3. The MCE Reentry Services Team consists of the Director of Reentry Services, Client Services Coordinator, Business Development Coordinator, Prosperity Partners ministry and inmate workers serving as program assistants. The Director of Reentry Services along with the guidance of senior leadership develops and implements the reentry strategy for MCE CARES graduates. MCE CARES Client Services Coordinator is the primary advocate for MCE CARES program participants while they are still managing their transition behind the walls with a key responsibility to make sure that participants have developed a reasonable reentry plan and are staying focused in all situations. MCE CARES' Business Development Coordinator (BDC) is responsible for vetting and recruiting companies interested in hiring MCE CARES graduates as well as prepare participants on how to sell their skills to employer prospects at a high level. Prosperity Partners teach financial literacy by helping participants with budgeting their current finances and also provide techniques on how to manage challenging financial issues that they could potentially deal with during transition.</p> <p>4. On June 29, 2015, The MCE CARES reentry program graduated 13 participants. This marked the conclusion of a six-month commitment that these men made to continue to lead positive lives, but also served as an important accomplishment that will set the tone for successful reentry to the communities that they will serve. The guest speaker for the graduation was Christopher Wilson, entrepreneur and Director of Community Workforce Development at Greater Homewood Community Cooperation. Mr. Wilson, who is also an ex-offender that once served 16 years of incarceration, delivered an impactful and heartfelt message. He used his personal testimony of rising above the traumatic events in his life as a means of connecting and providing motivation for the MCE CARES graduates.</p> <p>5. 17 participants are schedule to participate in the next 6-month cohort which will be from July 14, 2015 – December 14, 2015.</p>	

CARES (Continuing Allocation of Re-Entry Services)



CARES GRADUATES

<u>Calendar Year</u>	<u>Graduates</u>
2009	79
2010	61
2011	56
2012	30
2013	39
2014	23
2015 (6 mths.)	13
Total	301

During the MCE CARES program, each participant receives the opportunity to have a personal evaluation with a member of the MCE Reentry Team. During this evaluation, the participant determines specific barriers that they are anticipating with their transition process. The MCE Reentry Team will assess the barriers and assist the MCE CARES participant with developing S.M.A.R.T (Specific Measureable Attainable Realistic Timely) goals and a transition strategy. After completion of the program a graduate has the options outlined below:

CHOOSE TO REMAIN EMPLOYED AT THE MCE LAUNDRY PLANT LOCATED AT CENTRAL MARYLAND CORRECTIONAL FACILITY UNTIL RELEASED FROM PRISON

This is the most popular option that graduates take when they are unable to achieve pre-release or work release status because of the stipulations of their offense. This option allows for a graduate to remain in a MCE plant, still receive the base pay that they achieved at other MCE plants, and continue accruing the 10-special project credits per month to reduce the sentence.



TRANSFER TO A PRE-RELEASE OR WORK RELEASE FACILITY

This option is popular for graduates who have achieved the necessary status to work outside of the institution. This option allows for a graduate to build relationships with employers in the civilian sector which can lead to increased pay and additional professional recommendations.



TRANSFER TO DORSEY RUN PRE RELEASE AND WORK AT THE MCE WAREHOUSE LOCATED IN JESSUP, MD

This option is usually chosen by graduates who are not ready to enter work release. Graduates of MCE CARES are given priority for vacant positions within the warehouse. This option allows a graduate to stay connected with MCE, increase their MCE wages, and have the opportunity to work outside of the institution with proper supervision.



UTILIZE MCE BUSINESS AND COMMUNITY PARTNER NETWORK

After a graduate has been released they have the opportunity to work with the MCE Reentry Team to work towards completing the S.M.A.R.T goals established during the evaluation process. The partnership with MCE CARES is one that promotes self-sufficiency of each graduate. A graduate will receive guidance and limited assistance from the MCE Reentry Team, but each graduate must also display a high level of initiative in order to achieve their goals. Partnerships include statewide One-Stop Career Centers, non-profits with a focus on job readiness, vocational programs, transitional homes, and mental health providers.



MCE RE-ENTRY TEAM CONTINUES TO EXPAND THE BUSINESS AND COMMUNITY PARTNERSHIP WITH THE CIVILIAN SECTOR

In order to best assist graduates, the MCE Reentry Team works to continuously build upon their business and community partnerships. This process involves promoting the positive impact that MCE has within the correctional institutions by preparing inmate workers with the knowledge, skills, and abilities to be productive employees upon release. Additionally, the MCE Reentry Team promotes the positive effects that the MCE CARES program has with further reducing recidivism and how the program adds a more in-depth process to assist with an offender's successful transition.

Nothing is
"Impossible"
The word itself says
"I'm possible"

10. POST-RELEASE EMPLOYMENT SERVICES

Post-release employment services support gainful attachment to the workforce. Continued engagement after job placement promotes retention, re-employment in the event of job loss, and assists with advancement opportunities.

The MCE Reentry Services Team works collectively to build a network that can be utilized by participants upon release. A transitional plan is established during the 6-month training that provides a detailed map of a participant's strengths and challenges in regards to finding employment. With this information, the Business Development Coordinator seeks to first utilize partnerships with the local agencies such as the American Job Centers and non-profits who have already established strong reputations with securing employment for ex-offenders. Second, involves a research process to discover different employment trends by utilizing different employment websites to identify prospective employers and then contact the human resources or hiring manager to vet them as a potential employer partner. The last step is a more hands on approach referred to as "Street Reach" that involves driving through various neighborhoods and business developments looking for different employment opportunities for MCE CARES participants.

The numerous partnerships made by MCE over time with other agencies, non-profits, and even private employers have greatly benefited the Maryland CARES inmate population upon release. Additional coordination of training, work and reentry services is always searched for to impact larger numbers and retain the same success.

Maryland Correctional Enterprises (MCE) has taken the lead in offender reentry by not only providing a six month reentry course – Continuing Allocation of Reentry Services (CARES), but also by hiring ex-offenders who have the skills and work habits needed by MCE to be a successful employee and productive citizen.

Currently, eleven ex-offenders are employed in a variety of positions at MCE Headquarters and Central Warehouse. Given the limited size of the MCE Headquarters' workforce (60 employees) and the specific skills required for many positions, this level of ex-offender employment reflects a strong commitment in providing opportunity to deserving individuals.



Joe Sommerville, MCE Chief Operating Officer, speaking to CARES graduates.
Center back, Anthony Morgan, Jr., Director of Reentry, MCE CARES program.

MCE: PRACTICING WHAT WE PREACH

BY ASHLEY LOHR
EXECUTIVE ASSISTANT
MARYLAND CORRECTIONAL ENTERPRISES



Panel members Thomas, Michael (top), Debbie and Julian (bottom)

A panel of six sits in front of a room filled with applause during a standing ovation honoring success and determination. A moment of adoration is given for six people that only a few years ago had lost it all due to troubled pasts and inconceivable mistakes. If we flash back ten years, all six of the panel members would have been behind the fence of a Maryland Correctional Facility. Today, these proud men and women stand before a crowd of businessmen and correctional industry representatives proudly sharing their newfound success and accomplishments.

During their incarceration Mark, Julian, Michael, Thomas, Debbie, and Billy were all part of the Maryland Correctional Enterprises (MCE) offender workforce. In October, they were given the opportunity to present at the Northeast National Correctional Industries Association Conference as members of the MCE civilian workforce. These six staff members represent the true mission of Correctional Industries across the country. They have worked hard to find redemption and put their troubled pasts behind them. They have achieved successful reentry.

With the skills acquired while working for MCE behind the fence, these employees were able to use their practiced skills and work ethic to competitively compete for careers at MCE headquarters. The panel members had mentioned the hardships of returning to civilian life, but accredited Correctional Industries to their ability to put real-life work experience on a resume. Although the trip back to MCE would take some longer than others, they were once again able to find a future within the industry.

Julian, Michael, and Billy were able to find employment after release and eventually were drawn back to job opportunities offered at MCE headquarters. Julian applied to MCE twice before he was hired on as a fiscal clerk and enjoys the challenges that each day in that position brings. He worked hard to educate himself and become the ideal candidate for his position. He continues to arrive to work early every day to ensure the job is done effectively and efficiently. After working construction for several years, Michael knocked on MCE's door looking for an opportunity. After competing for a position with several other candidates, Michael was hired on as a Fiscal Inventory Clerk II with the inventory unit. The investment in Michael paid off and he was soon promoted to his current position as a designer for the sales team. After working at a hospital, Billy was offered a job at MCE. He is now the manager of the inventory unit and is continuously finding ways to improve his unit's efficiency.

Debbie and Thomas were able to find employment with MCE shortly after being released thanks to a work-release program offered at their institutions. After working her way up the ranks as a Mailing and Distribution Clerk and Database Entry Trainer, Debbie immediately found success working in a pre-release position in the Accounts Receivable Department. Debbie's determined personality made her a desirable candidate who was hired on as a full time employee shortly after her release. She is now the lead fiscal clerk of the department and has achieved an associate's degree in accounting. She has now moved her focus onto pursuing a bachelor's degree. Thomas also worked his way up through the MCE ranks, working on his talents as a graphics designer. Thomas's skills and abilities made him an ideal candidate for the marketing team. He continues to showcase his graphic design skills as a member of the MCE team. Thomas will soon achieve his associate's degree in graphic design.

Mark gained employment as an accountant with MCE after several years of experience working as a clerk in the institution. From there he was promoted to Chief Financial Officer and currently serves as the Chief Administrative Officer for the agency. Through hard work and determination, he has made himself a valued member of the executive staff.

Success did not come easy, and these panel members did not try to convince the audience otherwise. Though returning to society is an exhilarating feeling, it is also met with uncertainty and doubt. Immediately upon release, these men and women were faced with temptations that could have led them back onto the path of incarceration, but they remained diligent in their efforts for a better life. They were able to utilize their resources and work hard for their individual successes. They did not take the easy way out and can take pride in the transformations they have made.

The panel asked the audience members to remember one thing: second chances work. No matter the products and services Correctional Industries sell, this is the most important message that we can send to our customers and stakeholders. Our main product is our offender workforce, and we must do all we can to promote success and a change in their life. Mark, Julian, Michael, Thomas, Debbie, and Billy are prime examples of the greatness that can be achieved by utilizing Correctional Industries. By offering opportunities and support outside of the fence, we can continue to decrease our recidivism rates.



Lights, Camera, Corrections!



BY ASHLEY LOHR
EXECUTIVE ASSISTANT
MARYLAND CORRECTIONAL ENTERPRISES



Thomas Lane, Debbie Thomas, Ashley Lohr, Tyrese Brooks, Jane Sachs, Julian Ellis,
Dave Spikes, Terry Green, Michael Schindler, John Waters

"I'm not that ugly in person, at least I hope not," laughed Julian Ellis after previewing his segment of an upcoming training video. Julian, along with five MCE staff members, joined forces with the Maryland Police and Correctional Training Commissions (MPCTC) to develop a training video for newly hired correctional officers. MCE staff sat in front of a glaring light and invasive camera to share the hardships and successes one may encounter in the unpredictable world of corrections.

Each story and piece of advice was given in order to prepare new correctional officers for the road ahead. The video, "MCE: From the Inside Out," highlights MCE staff with five to thirty six years worth of correctional knowledge. What's the twist? They are teaching the tools of the trade from the perspective of a formally incarcerated person.

The idea stemmed from growing concerns in the media regarding correctional institutions and fraternization. Michael Schindler, a member of the MCE Design Department, decided to take action by documenting his experience and insight in the form of a training manual for correctional officers. After his incarceration at the age of 17, he made a commitment to make positive changes in his life. He always had an interest in teaching others and wanted to use this opportunity to share a lesser heard story in the training world. Michael came to the table with two goals: to train new correctional officers about the unseen aspects of the job and to emphasize the importance of maintaining an offender's humanity. Michael enlisted the help of his fellow coworkers, Thomas Lane, Debbie Thomas, Julian Ellis, Tyrese Brooks and Terry Green, who have all achieved successful reentry. Together, the group pitched the idea to Jane Sachs, Correctional Training Director at MPCTC. The two agencies, coordinated by Ashley Lohr, immediately formed an enthusiastic partnership.

MPCTC is responsible for developing and running the Correctional Entrance Level Training Program in Maryland. While the newly developed curriculum covers a variety of topics pertinent to the education of new officers, Jane was excited for the possibility to add a new element into training. "Our goal is to use this video to ensure that staff understand that they can make a difference in the life and rehabilitation of an inmate by being a correctional professional in their day to day interactions," said Jane. As a veteran Case Manager she recognized the need to reintroduce the human element to correctional staff, stating, "treating inmates with basic human dignity and respect is a very important part of doing the job of a correctional officer or staff, and this video does an excellent job of making that point. Hearing this message from folks who have made the transition into contributing members of society will hopefully have a lasting impact on the recruits." With the help of MCE, MPCTC now has an innovative, unprecedented training module to enhance the motivation of the new staff.

From the first meeting, it was evident that these men and women had a story to tell. Each staff member has made the successful transition from life on the inside to life outside, and they were eager to share their keys to success. Though no account or opinion were identical, there were a few familiar phrases that repeated themselves throughout writing and filming - be professional, be consistent and remain impartial. These key points were strikingly similar to the curriculum taught by correctional officers themselves.

Thomas Lane, Graphic Designer, believes that this addition to the curriculum will have an increased impact on the students, explaining that "they are receiving first hand facts from eyewitness accounts of men and women who have experienced life on both sides of the fence as former offenders and current state employees."

Although the video is a tribute to the positive outcomes of incarceration, MCE staff did not ignore the battles that are sure to be faced by new staff within the institutions. Terry Green, Installation Coordinator, addressed the fact that there would be instances where an officer would not get along with an inmate, instances where an inmate may try and test their patience, but with his warning also came words of advice. Green emphasized that part of being a correctional officer is learning not to act impulsively when in a hostile situation and suggested that officers "step back. Understand you are dealing with individuals that may not be able to express themselves."



To survive this environment, it is important to maintain positivity despite challenging surroundings. That advice worked twofold for Terry as he noted that a simple "hello" from an officer helped to give him the encouragement to succeed and transition back into society. Debbie Thomas, Fiscal Account Clerk Lead, added to this sentiment: "remember, those under your supervision are people who just made a bad judgement. They are still human." Positive interactions between staff and inmates may seem simple, but can be of the upmost importance to the men and women under correctional supervision.

For Julian Ellis, Accounts Receivable Clerk, the goal of the video was simple: "hopefully it will help new officers put the human element into perspective and increase the peace in correctional facilities." Julian was also incarcerated at a young age and, like many, devoted his time in prison to rehabilitating himself. He accredited much of his successes to the positive interactions he had with correctional staff members.

At the conclusion of the taping Michael made these final notes: "It was an honor to work beside a correctional staff that embraces the goal of improving corrections for staff members and inmates alike. Concluding this project has given me positive role models that may never get the recognition they deserve."

Perhaps the most memorable moments in cinematography come from the one-liners at the end of the film. To assist in the closing, local film writer and director John Waters made a cameo to sum up the message of the video, stating that "everyone deserves a second chance." John is no stranger to MCE; in the 1980s he filmed part of his movie Crybaby at the MCE tag shop in the former Maryland House of Correction and has always been a strong supporter of rehabilitation.



Production has ended for *MCE: From the Inside Out* and the final product is ready for an audience! Although the training video will be incorporated into the new academy curriculum this July, the production group wanted to test out the impact of the video on some seasoned correctional staff-Maryland's local wardens and facility administrators.

On June 2nd, the Maryland Correctional Administrator's Association (MCAA) celebrated the conclusion of their 40th Annual conference. Before the group departed, over 75 attendees filled a conference room to watch one last session. The start of the lecture seemed pretty standard - correctional professionals discussing best practices for the field. Midway through; however, the audience was amazed to find the session was being led by a panel of six former offenders.

As in the video, Michael, Julian, Debbie, Thomas, Terry, and Tyrese all shared their words of wisdom and later revealed that they were once incarcerated. In an emotional session for administrators and MCE staff alike, the panel members thanked the audience for all that they do to promote reentry and reminded them that both they and their staff have a profound impact on the lives of the men and women they supervise.

RECIDIVISM

In FY2009, DPSCS began work on the new Offender Case Management System (OCMS) and has been unable to provide recidivism data for MCE since FY2007. Therefore, until the Offender Case Management System (OCMS) produces recidivism data, DPSCS recommends utilization and reference to MCE's historical and consistent recidivism rates. Over a 15 year study period MCE recidivism rates are 7.6% in the first year, 15.7% in the second year, and 22.0% in the third year.

The following has been excerpted from the RISC (Repeat Incarceration Supervision Cycle) Report issued in August 2012:

"A recidivism component is planned as an integral program in OCMS. Because the new recidivism program will conform to counting rules for release cohorts and returns established by the Association of State Correctional Authorities (ASCA) for its Performance-Based Measures System (PBMS), it can be expected that future recidivism outcomes will not be directly comparable to the RISC outcomes. Given the long-term nature of recidivism measurements, it will be several years until OCMS will be capable of producing three-year recidivism data similar to that produced by RISC. But at that time, given the advantages provided by a state-of-the-art system, it is expected that the new recidivism program will provide more accurate, specific, and relevant recidivism data than has been possible with the nearly 30-year-old RISC program."

The Offender Case Management System (OCMS) became operational on July 1, 2014. It is MCE's understanding that the recidivism component will be worked on.

Note: In addition to Maryland, only eleven other states in the U.S. track correctional industry recidivism rates.

FINANCIAL

ECONOMIC IMPACT

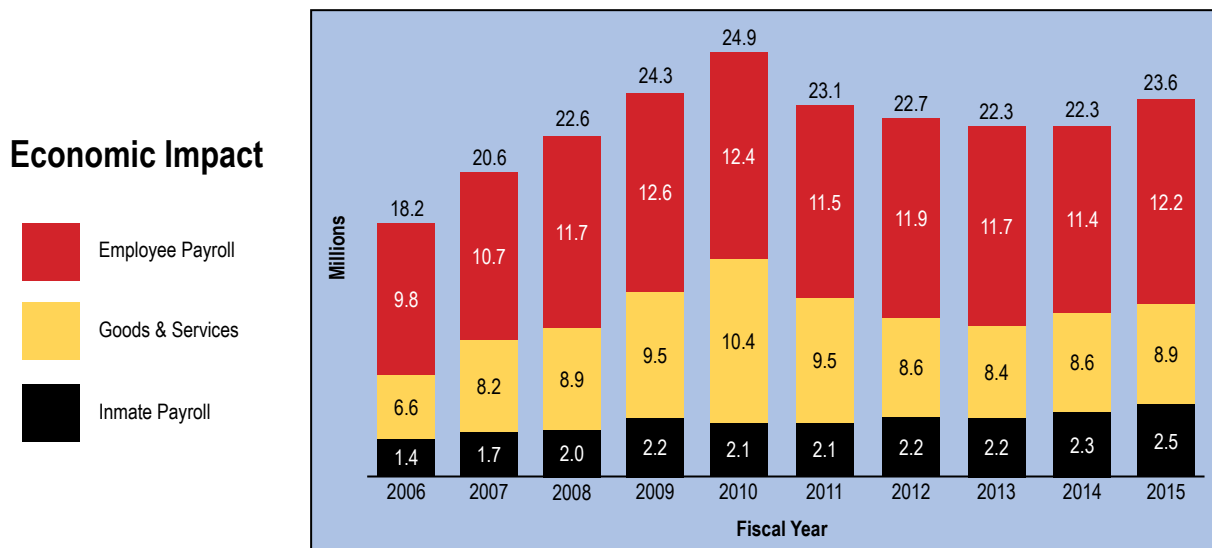
On September 12, 2012, MCE met with Dr. Charles Scott and Dr. Frederick Derrick, professors of economics at Loyola, to discuss the theory and methodology of MCE's Economic Impact on the State's economy. It was agreed by the professors that the positive economic impact that MCE has on the State of Maryland is significant. An Economic Impact Study in late September further analyzed the methodology, and provided consistent results in the determination of total impact.

"Economic Impact" consists of the three major areas where Maryland Correctional Enterprises payments were made during the fiscal year. The three major areas of "Economic Impact" are: "Goods and Services", "Employee Payroll", and "Inmate Payroll"

DIRECT ECONOMIC IMPACT - FISCAL YEAR 2015

AREA	GOOD AND SERVICES	EMPLOYEE PAYROLL	INMATE PAYROLL	ECONOMIC CONTRIBUTION
Annapolis	\$ 623	\$ 0	\$ 0	\$ 623
Baltimore City	3,128,088	3,702,091	0	6,830,179
Baltimore County	83,761	531,557	0	615,318
Eastern Shore	249,431	1,030,827	258,651	1,538,909
Hagerstown	702,820	3,363,278	847,526	4,913,624
Jessup	2,082,374	2,135,383	1,317,659	5,535,416
Montgomery County	15,764	0	0	15,764
Northeast Maryland	2,487,119	732,090	0	3,219,209
Prince George's County	229,713	344,064	0	573,777
Southern Maryland	0	70,601	1,574	72,175
Western Maryland	0	249,255	37,028	286,283
Maryland Total	\$ 8,979,693	\$12,159,146	\$2,462,438	\$23,601,277
Out of State Total	\$27,788,104	1,212,073	0	29,000,177
Grand Total	\$36,767,797	\$13,371,219	\$2,462,438	\$52,601,454

Total Economic Impact (Direct and Indirect) for FY 2015 that MCE had on the State of Maryland was \$95.6 million



Note: In addition to Maryland, only four other states in the U.S. compute Economic Impact

FINANCIAL STATEMENTS

MARYLAND CORRECTIONAL ENTERPRISES

Statements of Net Position

As of June 30, 2014 and 2015 (unaudited)

	2014	2015 (unaudited)
ASSETS		
Current Assets:		
Cash	\$15,747,975	\$10,082,686
Accounts Receivable	3,774,621	6,957,310
Inventories	10,259,224	13,339,787
Other Assets	72,282	359,979
Total Current Assets	29,854,102	30,739,762
Capital Assets, Net of Accumulated Depreciation:		
Equipment	4,140,699	3,688,024
Structures and Improvements	2,769,962	2,630,953
Infrastructure	21,422	15,453
Total Capital Assets, Net	6,932,083	6,334,430
Total Assets	36,786,185	37,074,192
LIABILITIES AND NET POSITION		
Liabilities:		
Current Liabilities		
Accounts Payable and Accrued Liabilities	1,927,531	2,361,416
Accrued Vacation and Workers Compensation Costs, Net	869,017	1,093,657
Unearned Revenue	868,327	565,591
Total Current Liabilities	3,664,875	4,020,664
Noncurrent Liabilities:		
Accrued Vacation and Workers Compensation Costs, Net	578,446	307,580
Total Liabilities	4,243,321	4,328,244
Net Position:		
Invested in Capital Assets	6,932,083	6,334,430
Unrestricted	25,610,781	26,411,517
Total Net Position	\$32,542,864	32,745,947

MARYLAND CORRECTIONAL ENTERPRISES

Statements of Revenue, Expenses, and Change in Net Position

As of June 30, 2014 and 2015 (unaudited)

	2014	2015 (unaudited)
Operating Revenue:		
Sales and Services	\$51,799,493	\$54,061,317
Operating Expenses:		
Cost of Sales and Services	41,171,985	42,379,938
Selling, General, and Administrative Expenses	6,185,784	6,672,186
Other Selling, General, and Administrative Expenses	2,139,293	2,671,317
Depreciation	1,258,877	1,084,143
Total Operating Expenses	50,755,939	52,807,584
Operating Income	1,043,554	1,253,733
Nonoperating Revenue and Expenses:		
Miscellaneous Income	8	(17)
Loss on Disposal of Assets	(10,734)	(623,161)
Nonoperating Expenses, Net	(10,726)	(623,178)
Income (Loss) Before Transfers and Contributed Capital	1,032,828	630,555
Capital Contributed	534,145	572,528
Transfer to State of Maryland General Fund	(1,800,000)	(1,000,000)
Change in net Position	(233,027)	203,083
Net Position, Beginning	32,775,891	32,542,864
Net Position, Ending	<u>\$32,542,864</u>	<u>\$32,745,947</u>



MARYLAND CORRECTIONAL ENTERPRISES

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Boyd Rutherford, *Lt. Governor*
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