



Department of Public Safety and Correctional Services

Office of the Secretary

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STATE OF MARYLAND

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GOVERNOR

BOYD K. RUTHERFORD
LT. GOVERNOR

ROBERT L. GREEN
SECRETARY

RACHEL SESSA
CHIEF OF STAFF

CHRISTOPHER McCULLY
DEPUTY SECRETARY
ADMINISTRATION

WAYNE O. HILL
ACTING DEPUTY SECRETARY
OPERATIONS

CAROLYN J. SCRUGGS
ASSISTANT SECRETARY

GARY W. McLHINNEY
ASSISTANT SECRETARY

October 1, 2020

The Honorable Larry Hogan
Governor
State House
Annapolis, Maryland 21401

Dear Governor Hogan:

Pursuant to § 3-509 of the Correctional Article, the Commissioner is required to submit an annual report on each correctional facility to the Governor, the Secretary, and the Secretary of Budget and Management. The statute specifically states:

- (a) Annually, the Division [of Correction] shall submit a complete financial and operational report of Maryland Correctional Enterprises and the Maryland Correctional Enterprises revolving fund to:
- (1) the Governor;
 - (2) the Secretary; and
 - (3) the Secretary of Budget and Management.
- (b) The report required under subsection (a) of this sectional shall:
- (1) be in the same general form as a report by the Division on its operations and programs
 - (2) include information about present and projected personnel and compensation requirements of Maryland Correctional Enterprises;
 - (3) list the job classifications for inmate labor in each department and facility under the authority of Maryland Correctional Enterprises;
 - (4) list the daily wage scale at each prison for each job classification under the authority of Maryland Correctional Enterprises; and
 - (5) list the total number of inmates currently employed at facilities under the authority of Maryland Correctional Enterprises, disaggregated by facility

Attached is the Departments submission in satisfaction of this reporting requirement.

I hope this letter and attachment meet with your approval. If you have any questions, please contact myself or Ms. Rachel Sessa, Chief of Staff, Office of the Secretary, at 410-339-5022.

Sincerely

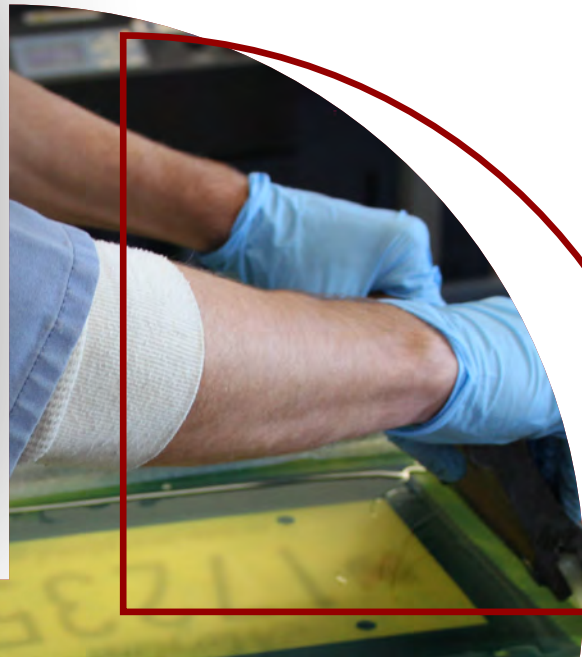
,

Wayne O. Hill
Commissioner

Attachment

cc: The Honorable Robert L. Green, Department of Public Safety and
Correctional Services
The Honorable David Brinkley, Department of Budget and Management
Ms. Sarah Albert, Library Associate, Department of Legislative Services,
MSAR 2986/12067
Mr. Keifer Mitchell, Chief Legislative Officer, Governor's Office
Ms. Cara Sullivan, Deputy Legislative Officer, Governor's Office

ANNUAL REPORT 2020





Annual Report

FY2020



October 1, 2020

Lawrence J. Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Robert L. Green, Secretary
Department of Public Safety and Correctional Services

Wayne Hill
Acting Deputy Secretary of Operations

Stephen Sanders
Chief Executive Officer



KOMORI 29

KOMORI

GRAPHICS PLANT
#1 (#140)

SPICA 29P
KOMORI CORPORATION
DANGER

INTRODUCTION

Pursuant to § 3-509 of the Correctional Services Article of the Annotated Code of Maryland, the Department of Public Safety and Correctional Services and Maryland Correctional Enterprises (MCE) is required to submit a report on the finances and operations of MCE. The bill language specifically states:

(a) Annually, the Division shall submit a complete financial and operational report of Maryland Correctional Enterprises and the Maryland Correctional Enterprises revolving fund to:

(1) the Governor;

(2) the Secretary; and

(3) the Secretary of Budget and Management.

b) The report required under subsection (a) of this section shall:

(1) be in the same general form as a report by the Division on its operations and programs

(2) include information about present and projected personnel and compensation requirements of Maryland Correctional Enterprises;

(3) list the job classifications for inmate labor in each department and facility under the authority of Maryland Correctional Enterprises;

(4) list the daily wage scale at each prison for each job classification under the authority of Maryland Correctional Enterprises; and

(5) list the total number of inmates currently employed at facilities under the authority of Maryland Correctional Enterprises, disaggregated by facility

OVERVIEW

Maryland Correctional Enterprises (MCE) is the prison industry arm of the Division of Correction within the Department of Public Safety and Correctional Services. The Mission of 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 goods and services, and to be a financially self-supporting State agency.

Legislation governing MCE is contained in the Annotated Code of Maryland, Correctional Services Article, Sections 3-501 through 3-528. MCE is a preferred-provider entity with an allowable market primarily restricted to government and non-profit organizations.

Throughout the year, MCE operated 26 business units located at 10 state correctional facilities across the state. MCE utilizes maximum, medium, minimum, pre-release and work-release status inmates and offers a wide array of products and services including furniture restoration, printing/signage, textiles, meat products, laundry services and license plates.



A MESSAGE FROM THE CEO

Maryland Correctional Enterprises (MCE) 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.

Despite the hardships faced internationally this year as a result of the COVID-19 Pandemic, the staff of MCE have faced challenges head on to promote continued success of the agency. In response to protective supply shortages, MCE immediately jumped into action and repurposed business units in order to manufacture hand sanitizer, cotton sneeze guards, face shields, isolation gowns, and protective barriers to promote the safety of Marylanders. We are proud to dedicate our resources to slowing the spread of COVID-19.

As a result of MCE's quick ability to adapt to an ever changing environment, FY20, sales exceeded \$55 million, enabling MCE to touch the lives of over 2,000 offenders throughout the year. In total, MCE provided over 2.1 million work hours. Based on the 2020 National Correctional Industries Association (NCIA) Directory, MCE ranked among the top ten correctional industries in the nation, ranking 9th in the U.S. in sales and 8th in the U.S. for traditional correctional industry inmate employment.

MCE provides inmates with much-needed work skills and work ethics. Previous studies comparing MCE inmates with the DPSCS general population inmates suggest that MCE has a positive impact on reducing recidivism. Studies across the nation continue to show that correctional industries have a positive effect on reducing states' recidivism rates. With an annual incarceration cost above \$43,000 per individual, lower recidivism lowers the cost of incarceration to the State.

On July 1, 2008, MCE implemented C.A.R.E.S. (Continuing Allocation of Reentry Services) to further enhance employment readiness and transitional skills for inmate employees that are within three years of release. There have been over 360 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. These resources, as well as other products and services, are donated annually by Maryland Correctional Enterprises to help our fellow citizens. Additionally, MCE had a positive economic impact on Maryland's economy of \$67.3 million in FY20.

Since 1992, MCE has been certified by the U.S. Bureau of Justice Assistance for the Prison Industry Enhancement (PIECP) Program, which allows MCE to enter into partnerships and be a sub-contractor to the 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 P.I.E.C.P. requirements. MCE currently runs one P.I.E.C.P. program at the Maryland Correctional Institution in Hagerstown. MCE is also proud to be an ACA Accredited Correctional Industry; an honor we have held since 2009 .

MCE's accomplishments would not be possible without the support of the Department of Public Safety & Correctional Services (DPSCS) Secretary Robert L. Green, Acting Deputy Secretary Wayne Hill and their respective staffs, MCE Management Council, MCE Customer Council, DOC Wardens, and the patronage and support of our customers.

Sincerely,



Stephen Sanders
Chief Executive Officer



www.maryland.gov • MVA

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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.

Vision Statement:

Transforming lives through mentoring, providing marketable skills, and instilling positive work ethics to contribute to a safer community.

MANAGEMENT

Chief Executive Officer	Stephen Sanders
Executive Assistant to the CEO	Vacant
Chief Operating Officer	Vacant
Chief Administrative Officer	Mark Rowley
Chief Development Officer	Vacant
Staff Development Director	Ashley Lohr
Director of Marketing	Nicole Copeland
Exec. Director of Management Council	David Jenkins
Director of Sales	Todd Deak
Sales Manager	Jim Hook
Chief Financial Officer	Verona Williams
Operations Manager	Vacant
Senior Advisor	Steve Shiloh
Projects Consultant	Cliff Benser
Customer Service Manager	Shari Hoffman
Design Manager	Terry Hill
IT Manager	Engrican Budoy
Reentry Services Director	Janet Lane

REGIONAL MANAGERS

REGION

Western	Ron Brown
Jessup/ECI Furniture Restoration	Mat Hall
Textiles/ECI Liason (Acting)	Tom Seltzer
Graphics	Jim Cluster
Central Warehouse	Derek Hadley
Hagerstown Warehouse	Ricky Rowe

SALES & INMATE EMPLOYMENT

Business Units FY 2020	Sales	Inmate Employment
Jessup Correctional Institution		
Wood* – office, lounge and dormitory furniture, tables, library shelving	3,798,946	0
Tag – metal motor vehicle license tags and picnic furniture	4,882,971	67
Sew* – inmate uniform items and DPSCS officer uniform items	2,627,165	0
Maryland Correctional Institution – Jessup		
Graphics I** – complete line of forms, reports, custom printing, magazines and related special products, four color printing	1,639,200	95
Graphics II** – envelopes, business cards, letterhead, etc.	2,010,404	46
Quick Copy Service** – digital b/w and color, high speed digital printing, binding, finishing, packaging, shipping, collating, stapling	722,600	22
Maryland Correctional Institution for Women		
Sew/Flag* – shirts, gowns, bathrobes, flags, aprons, embroidery, sweatshirts	1,014,754	0
Mailing and Distribution* – bulk mailing, distribution service, data entry	3,011,941	0
Design and Planning* – office design using CADD system	0	0
Maryland Correctional Institution – Hagerstown		
Metal ¹ – shelving, beds, tables, wastebaskets, chairs, benches, lockers, storage, Flexstation office furniture , PIECP	5,274,492	25
Laundry – industrial cleaning of laundry for institutional and non-profit entities	229,811	11
Upholstery – task seating, side chairs, lounge furniture, multi-purpose seating	7,029,436	20
Meat – ground beef, chopped steaks, meat loaf, roasts, chops, ribs, hotdogs, lunch meats, sausage	8,939,081	24
Hagerstown Warehouse – backhaul operations and shipment of products produced in Hagerstown	85,390	32
Roxbury Correctional Institution		
RCI Graphics – file folders, interoffice envelopes, report covers, vinyl binders, production of MVA vehicle registrations and special orders	1,917,546	94
Recycling and Agriculture* – recycling of aluminum and steel cans, cardboard, paper, pallets, and plastic	67,984	0
Maryland Correctional Training Center		
Partition – work stations, office panels, sight screens, System XXI, PowerWorks	3,545,378	13
Brush & Carton – utility brushes, corrugated cartons, and furniture assembly	1,983,457	10
Western Correctional Institution		
WCI Furniture – laminated component parts and various furniture items (Volition, Aristotle & Darwin office furniture)	1,716,005	12
Eastern Correctional Institution		
Furniture Restoration – refinishing/restoration of wood, metal, and upholstered furniture	1,146,427	107
Textiles – towels, washcloths, hats, uniform clothing/shirts, embroidery, sewn, and RF Seal mattresses	2,331,966	70
Laundry – industrial cleaning of laundry for institutional and non-profit entities	193,050	8
Patuxent Institution		
Sign & Engraving– street signs, custom made signs to order, vehicle wraps, plaques, picture frames and laser engraving	937,140	29
Central Maryland Correctional Facility		
Laundry Operations ² – industrial cleaning of laundry for institutional and non-profit entities	490,941	136
Jessup Area		
Central Warehouse – shipment of all products produced at Baltimore metropolitan area prisons, moving, labor, and courier service	176,133	0
Total Sales and Inmate Employment		55,772,218
		821

* Indicates business unit closure in response to the COVID-19 Public Health Crisis

**Plant closed mid-June; inmates were paid during the month of June, but not working as of 6/30/2020

1 Includes eight Prison Industry Enhancement Certification Program (PIECP) workers

2 Includes laundry collection workers from Jessup Correctional Institution

SALES

CORRECTIONAL INDUSTRIES SALES RANK

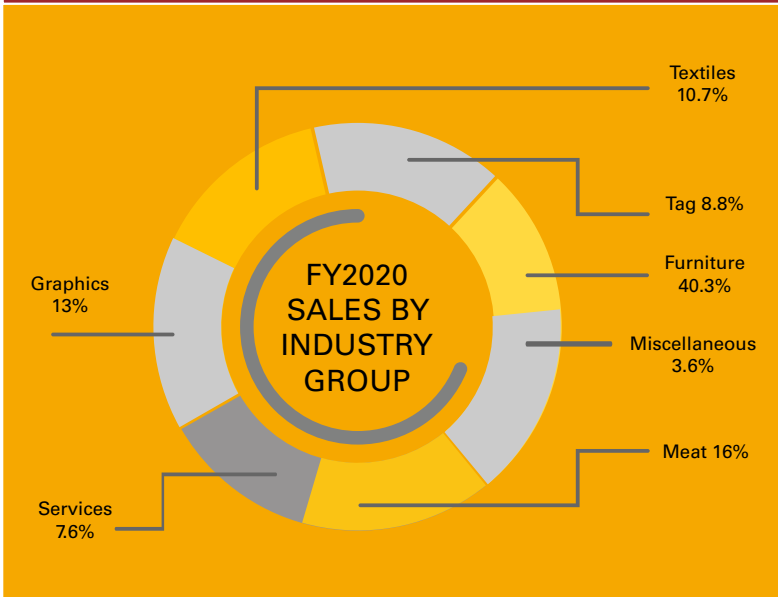
From data contained in the 2020 National Correctional Industries Association (NCIA) Directory based on FY 2019 numbers.

MCE HAS RANKED IN THE TOP 10 IN SALES FOR THE PAST 15 YEARS

Maryland Correctional Enterprises is prohibited by law from selling its products and services on the open market. Sales to state agencies in FY 2020 represented 99% of MCE's total sales, with 1% to non-state and not-for-profit agencies.

Ranking	State	FY 2019 Netsales
1	*California	\$249,961,931
2	*Washington	\$113,260,594
3	North Carolina	\$92,500,000
4	*Pennsylvania	\$80,688,000
5	Texas	\$76,745,560
6	Florida	\$69,524,370
7	*Colorado	\$68,871,011
8	New York	\$63,557,000
9	MARYLAND	\$52,457,137
10	*Arizona	\$47,974,027

* States that have canteen/commissary operations



PLANT LOCATIONS

PLANT LOCATIONS

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

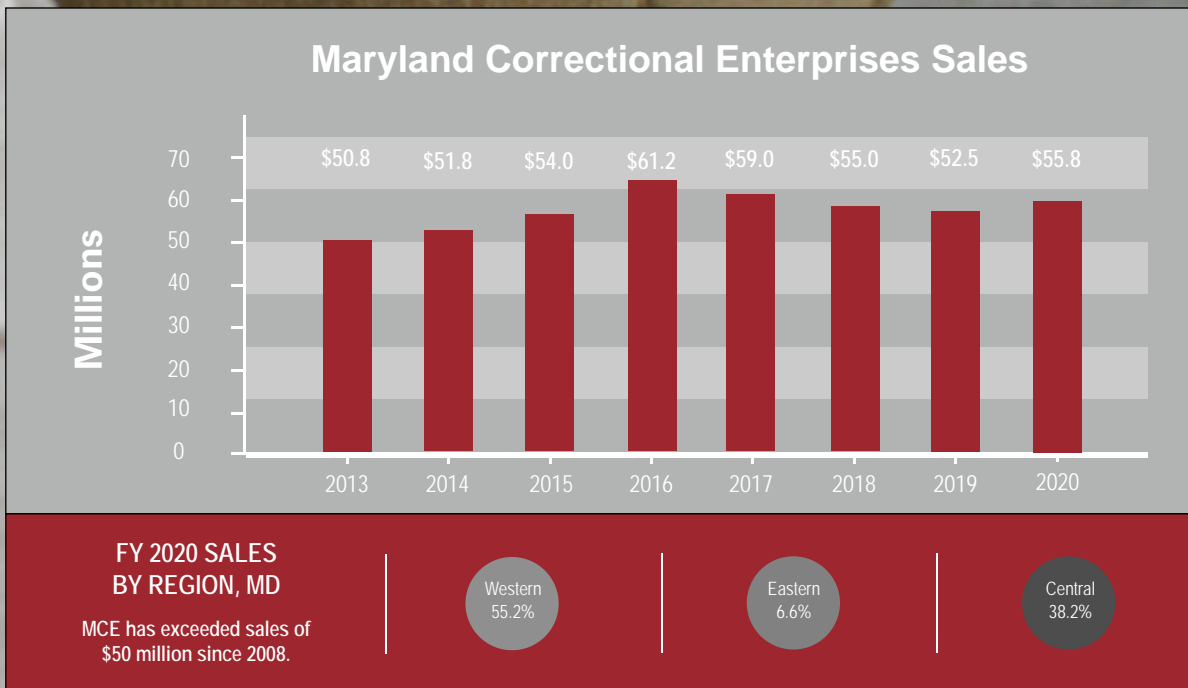
Jessup Correctional Institution
 Maryland Correctional Institution - Jessup
 Maryland Correctional Institution - Women
 Brockbridge Road Warehouse & Showroom
 Patuxent Institution

* MCE Headquarters/Central Warehouse
 Dorsey Run Correctional Facility
 Eastern Correctional Institution



PLANT SERVICE CENTERS FY 2020

	Top Ten Business Units	Institution	FY20 Sales	% Sales
1	Meat/Food Processing	MCI-H	8,939,081	16.0%
2	Upholstery	MCI-H	7,029,436	12.6%
3	Metal	MCI-H	5,274,492	9.5%
4	Liscence Plate	JCI	4,882,971	8.8%
5	Wood Furniture	JCI	3,798,946	6.8%
6	Partition	MCTC	3,545,378	6.4%
7	Mailing & Distribution	MCIW	3,011,941	5.4%
8	Sew	JCI	2,627,165	4.7%
9	Textiles	ECI	2,331,966	4.2%
10	Graphics II	MCIJ	2,010,404	3.5%
	Total		43,451,780	77.9%



CAPITAL PROJECTS FY2020

Maryland Correctional Enterprises worked on Capital Project specifications in FY20 that totaled \$10.8 million. \$9.2 million was delivered in FY20. In FY21 an estimated sales value of \$10.3 million for Capital Projects is projected.

Total Value of Capital Projects Delivered in FY2020: \$9.2 million

- Morgan State University (Student Services Bldg)
- MD Military Dept. (Easton Armory)
- Howard Community College (Howard Hall, Academic Commons, McCuan Hall, Clark Library)
- Montgomery College (Science & Applied Health and Student Services Bldg)
- Dept. of Juvenile Services (New HQ Bldg)
- Dept. of Disability and Determination Services (New Hunt Valley Location)
- Universities at Shady Grove (Biomedical Sciences & Eng. Ed. Facility)
- Prince George's Community College (Queen Anne Performing Arts Bldg)
- UMBC (Interdisciplinary Life Sciences Bldg)
- Harford Community College (Fallston Hall)
- Frederick Community College (E Bldg)

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

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
No. of Projects	607	604	676	601	544	514	447	484	477
Sales Value (millions)	\$27.8	\$26.6	\$30.9	\$29.2	\$30.3	\$26.3	\$23.1	\$26.2	\$27.5

TOP 10 CUSTOMERS FY 2020



Ranking	Customer Name	Amount	% Sales
1	Department of Public Safety & Correctional Services	\$15,055,685.92	27
2	Department of Transportation	\$11,678,387.54	20.9
3	University System of Maryland	\$7,007,373.13	12.6
4	Morgan State University	\$3,474,001.75	6.2
5	Department of Health	\$3,289,760.15	5.9
6	Community Colleges of Maryland	\$2,671,064.04	4.8
7	Department of Juvenile Services	\$2,258,222.78	4.0
8	Department of Human Services	\$1,647,339.82	3.0
9	Maryland State Department of Education	\$1,369,851.47	2.5
10	Comptroller of Maryland	\$947,728.02	1.7
Total Top Ten Customers:		\$49,399,414.62	88.6%

QUICK SHIP PROGRAM

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. 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:

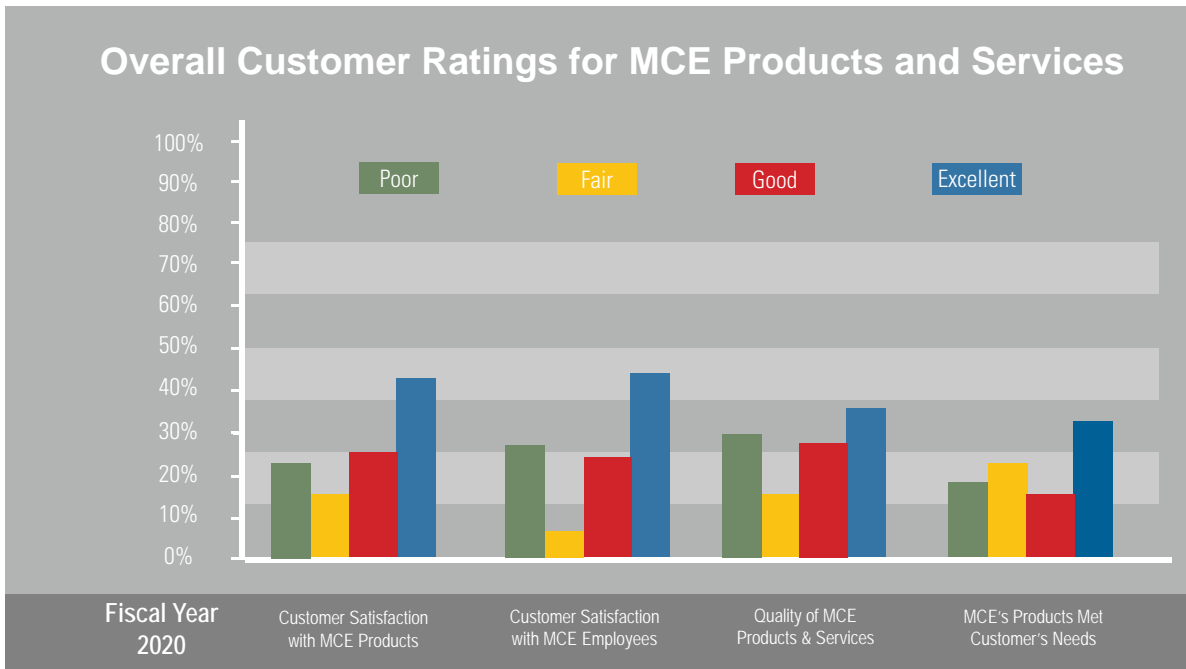
- Canton Collection Furniture
- File cabinets
- Bookcases & Shelving
- Wastebasket
- MD & US Flags
- Task & Side Seating
- Mattresses & Pillows
- Towels & Washcloths
- GP66 Cleaner
- Picnic Table
- Bed Sheets, Pillowcases & Blankets
- Record Storage Boxes & File Folders
- Print on Demand Garment Printing
- Portfolios & Pad Holders
- Harbor Line Furniture
- New Windsor Chair with Arms
- Flexstation
- Annapolis II L-Shaped Desk
- Single Grill
- Fire Ring Grill

NEW PRODUCTS

- Insignia Button Tab
- Charcoal Grey Polo Shirt
- Pace Task Chair
- Epaulet Sleeve
- CorrecPac Pot & Pan Detergent
- CorrecPac Degreaser
- CorrecPac Sanitizer



CUSTOMER SATISFACTION



The majority of respondents rated MCE Good or Excellent in Customer Satisfaction, Prices, Quality and Delivery Time.

AVERAGE DELIVERY TIMES (Days)

Fiscal Year	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Average Time (Days)	26.2	31.3	25.4	22.3	22.9	24.4	27.4	42.1

AVERAGE DELIVERY TIMES

Graphics - 4.9 Weeks Textiles - 8.5 Weeks Furniture - 9.6 Weeks Miscellaneous - 3.3 Weeks

In FY20, MCE implemented a new, automated delivery tracking system. This new process has resulted in increased delivery times as MCE is no longer excluding certain extended manufacturing/ specialty products from the report. The new report is also based on invoice date, rather than delivery date which may account for a one day variance. In addition, MCE experienced increased delivery times due to state closures as a result of the COVID-19 Pandemic. Many state agencies were not accepting orders, resulting in increased delivery times. Continued closures at furniture, textiles, and graphics plants have also resulted in increased production times. Despite these factors, nearly 90% of all MCE deliveries remain on time.



PRISON INDUSTRY ENHANCEMENT

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 workforce, 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 (P.I.E.C.P.) 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.

MCE entered into our current P.I.E.C.P. partnership on July 25, 2018. Eight inmates are currently employed at Metal I at a rate of \$11.79 per hour. Throughout FY 2020, the P.I.E.C.P. Program accounted for 2,529.5 inmate working hours which allowed for \$8,727.92 to be distributed to room and board and \$5,818.63 to be paid into the state's Victims Compensation Fund.

Conventions

MCE was able to attend the following conventions during FY20:

MCE's convention participation was greatly reduced as a result of cancellations due to the COVID-19 Pandemic.

Maryland Association of Counties (MACo) – August 2019

Department of Natural Resources Maryland Park Field Service Day (DNR) – September 25, 2019

Maryland Association of Counties (MABE) – October 2019



2020 OUTREACH EFFORTS

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:

Bea Gaddy Turkeys

Continuing in a tradition that has lasted over thirty years, MCE's Meat Plant again assisted in prepping and cooking turkeys for the 2019 Bea Gaddy Thanksgiving Dinner. As a way to give back to the Baltimore Community, MCE prepared the 250 turkeys at no cost. The Bea Gaddy Thanksgiving Day dinner traditionally serves thousands of families each year.

https://www.washingtonpost.com/local/for-massive-bea-gaddy-thanksgiving-feast-in-baltimore-help-from-prison/2019/11/21/c4e2c9e8-0a1e-11ea-8397-a955cd542d00_story.html

COVID-19 Response Effort

Many MCE employees and inmates are involved in the battle against COVID-19. Textiles Plant #109, Sew Plant #104, Furniture Restoration Plant #106, and Upholstery Plant #122 are working hard to manufacture washable and reusable gowns, sneeze guards, and face shields. In addition, our great team from Plant #123 is producing, bottling and packing the hand sanitizer while Graphics Plant #149 is creating and printing labels. Also, kudos to plant 150 and plant 152 staff and drivers that coordinate travel and distribution of vital supplies.

<http://www.baltimoresun.com/coronavirus/bs-md-pol-prison-masks-20200427-fewq4quw6bd63n7fbdcx66rkj4-story.html>

Bike Distribution

Father O'Neill Charities in Lutherville and the Maryland Department of Parole and Probation have collaborated to provide bikes to individuals under criminal supervision. This initiative was created by a Parole and Probation Agent that had identified many difficulties in adequate transportation for individuals reporting to the Waldorf Office. By offering bikes to the supervised population, individuals now have an increased ability to travel to work and mandated appointments. MCE is assisting in this effort by transporting bikes from the donation center to the individual offices as needed in a continued effort to increase post-release successes in Maryland.

<https://www.washingtonpost.com/lifestyle/2019/12/01/parolees-probationers-three-maryland-counties-struggled-get-around-until-charity-provided-bikes/>

Donation of Food to Special Olympics Event

Each year, DPSCS hosts an institutional Tug-of-War Tournament to raise money for the Special Olympics of Maryland. To participate in this worthwhile cause, MCE donates food items from our Meat Plant to enhance fundraising efforts. This year's event raised \$1,400 for this worthwhile cause.

<https://www.baltimoresun.com/maryland/carroll/news/cc-tug-of-war-20190920-3mrabaa7qza3bisc35y5wvqexq-story.html>

Holiday Drives

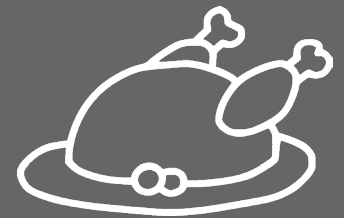
Each holiday season, the staff at MCE host drives for local residents in need. This year, MCE collected can goods for the Maryland Food Bank and hosted a holiday toy drive for the Johns Hopkins Children's Center.

Children in Need Clothing Donation Bins

In a continuing partnership between Children in Need and the MCIH Metal Plant, MCE refurbished four clothing donation bins for the Hagerstown based non-profit. The blue donation boxes are placed throughout Washington County to assist in collecting donations of clothing, toiletries, school supplies, books and shoes for local children. MCE is also in the process of constructing two new donations bins for Children in Need.



Manufacturing washable and reusable gowns, sneeze guards, face masks and hand sanitizers to protect from COVID-19.



Preparing hundreds of turkeys annually for the Bea Gaddy Thanksgiving dinner in Baltimore.

INMATE EMPLOYMENT

Inmate Employment and Reentry from the Inside Out:

Limited skills and underemployment contribute to criminal activity and affect successful outcomes post-release. As the only self-supporting vocational training division for Maryland's Department of Public Safety & Correctional Services, MCE's mission is to provide multiple industry, performance-based, job skill training and educational programs that are structured for currently incarcerated individuals. Not only does MCE help to prepare workers for gainful employment upon release, MCE also offers opportunities for incarcerated individuals serving life sentences who discover satisfaction and purpose through providing quality work, being a valued member of a cohesive team, and mentoring new staff.

MCE is frequently called upon to respond to ever changing market demands, and to develop an evolving line of quality products, so our training must include flexibility, character development and work ethics, and taking increased responsibility. Our annual employee surveys indicate that satisfaction is derived from dedicated daily effort in collaboration with a team. One of the definitions of the word Enterprises is undertaking a business that requires special effort. The primary goal of our mission statement is to provide training and job opportunities to incarcerated individuals to increase their chances of post-release success. Over 2000 people have been employed by our business units over this past year and there continues to be a long waiting list at every institution where MCE has a plant or shop.

Agency and Non-Profit Partners:

We receive continued participative support from state and community agencies, faith-based and not for profits, as well as our Joint Skills Training Program (JSTP) partners and regional reentry navigators from the Maryland Department of Labor (MDDOL).

As part of the JSTP, The Maryland Department of Labor has developed competency lists associated with each business unit. In addition to our MCE certificate (which is awarded annually) and a quarterly evaluation as required by the American Correctional Association, The Department of Labor Job Skills Certificates are issued to eligible participants, with at least one year of satisfactory MCE experience, when they are released or transferred from a business unit. 109 certificates were awarded in six MCE job skills areas.

Confidence and self-esteem contribute to positive personal change. Studies across the country continue to show that correctional industry participation has a positive impact on state recidivism* rates.

Continuing Allocation of Reentry Services (C.A.R.E.S.)

MCE offers more than just products and services. We represent a positive economic impact, provide training and transferable skills that reflect the demands of the community workplace and can change people's lives.

A new Director was hired in January 2020 to help guide the MCE reentry team and to expand our goal of continuing to assist and prepare our employees prior to and post release. C.A.R.E.S. was established in 2008 and is an ongoing compact to support the reentry preparation of our valued employees. There are limited requirements to be considered for placement in an MCE job which include demonstrating a willingness to produce a quality product, to cooperate and work well with everyone in their business unit, have a minimum of a GED, and refrain from incurring institutional infractions. We accept people with any offense conviction. Any person who currently works or worked with us for in the past, receives reentry assistance as they near their release date.

*The most common, but not official, definition of recidivism is defined as a new conviction resulting in the return to the Department of Public Safety & Correctional Services or probation supervision within three years of release

Continuing Allocation of Reentry Services (C.A.R.E.S): Our C.A.R.E.S. classes were reinstated in 2019. The classes include a comprehensive exploration of employment readiness including financial literacy. We also include the complete cognitive behavioral therapy, evidence-based program, entitled, Thinking 4 a Change which was developed by The National Institute of Corrections (NIC). Thanks to a collaboration with Gatekeepers, Inc., Goodwill Industries, Wells Fargo, and a Correctional Case Manager, we were able to expand our classes to Western Maryland with a pilot program to begin at Maryland Correctional Institute at Hagerstown (MCI-H). Men with no more than three years left on their sentence, who were currently employed by us and in good standing with MCE, were eligible to apply to participate in these classes. On March 18th, eighteen men were scheduled to participate in the next C.A.R.E.S. cohort. Unfortunately, this class has been unable to move forward as planned due to COVID-19 safety precautions. We look forward to resuming the classes as soon as it is safe to do so.

Despite the need to place C.A.R.E.S. classes on hold, our ongoing commitment to our staff continues. Working closely with our business unit managers, institutional case managers and social workers across the state, we are committed to supporting the reentry efforts of our returning citizens. Several MCE employees were released over the past year and some earlier than anticipated due not only due to diminution credits and being assessed as non-violent, but to ensure their safety from COVID-19. Whenever possible, connections to our agency and community partners were made prior to release to ensure a stable home plan. Our aim is that our returning citizens reconnect with families, find meaningful employment and careers, and contribute to our society. Returning citizens that have worked for MCE have found employment success in the following career categories:

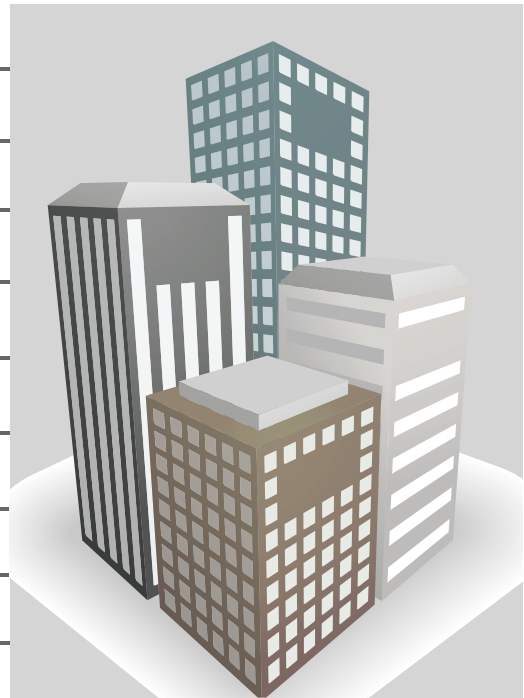
- Inventory Management
- Graphic Design/ CADD
- Warehousing
- Textile Manufacturing
- Furniture/ Upholstery Production
- Printing and Graphics
- Facilities Maintenance
- Warehousing
- Laundering Services
- Non-Profit Services and Administration
- Meat Cutting/ Food Processing
- State Government
- Customer Service
- Floor coverings



CORRECTIONAL INDUSTRIES INMATE EMPLOYMENT RANK

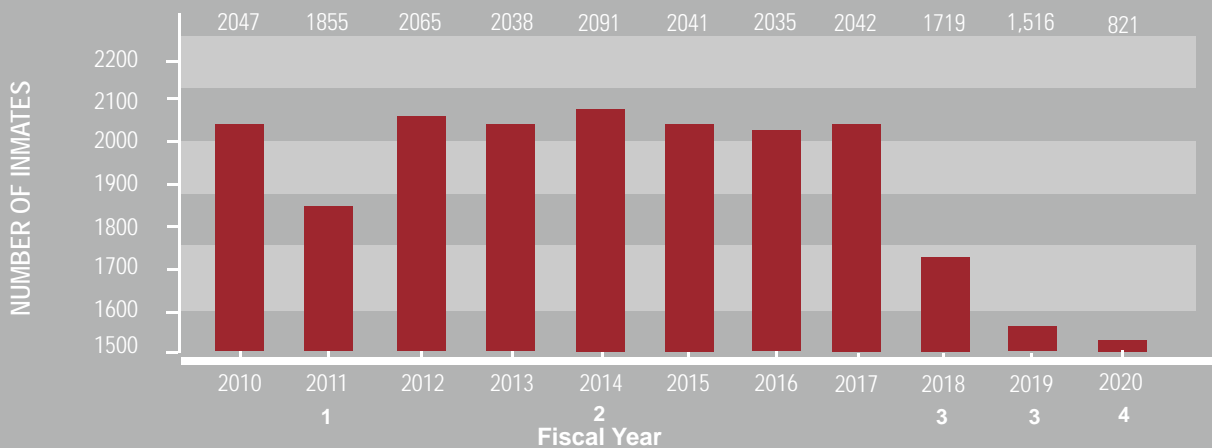
From Data contained in the 2020 National Correctional Industries Association (NCIA) Directory based on FY 2019 numbers.

<u>Ranking</u>	<u>State</u>	<u>Inmates Employed</u>
1	California	6,072
2	Texas	4,701
3	North Carolina	2,430
4	Washington	2,394
5	Florida	1,874
6	New York	1,850
7	Pennsylvania	1,690
8	MARYLAND	1,516
9	Ohio	1,476
10	Missouri	1,432



MCE has ranked in the top 10 for inmate traditional employment since 2008.

Maryland Correctional Enterprises Inmate Employment



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 North Branch Correctional Institution (NBCI) in October 2013 due to the continuing lock-down situation at that institution. This action resulted in the loss of 25 inmate positions.

3 MCE has a current civilian staff vacancy rate of 25%. Recruiting difficulties have negatively affected FY2018 and FY2019 inmate employment.

4. Due to COVID-19 safety precautions, MCE closed ten business units and decreased the workforce to ensure the safety of staff and inmates, which accounts for the significant reduction in FY20 inmate employment numbers. MCE intends to rehire inmates as soon as it is safe to do so. When MCE can safely resume normal operations, we anticipate inmate employment to exceed 1,500 if staffing numbers allow. In FY2020, MCE provided over 2.1 million hours of inmate employment and training and touched the lives of over 2,000 inmates

INMATE WAGES

In addition to the base wages outlined below, inmates receive incentive and bonus wages based on production. On average, production incentive doubles inmates' hourly pay. MCE paid \$2.4 million in inmate wages throughout FY2020.

MCE Hourly Pay Scale

Hourly Pay Rate 4 or 5 Day Work Week

Employee Skill Level	Pay Scale
Unskilled	17¢ - 26¢
Semi-Skilled	27¢ - 29¢
Skilled	29¢ - 34¢
Craftsman	34¢ - 36¢
Team or Line Leader	37¢ - 39¢
Clerk	34¢ - 36¢
Invoicing Clerk	34¢ - 36¢
Quality Control	34¢ - 36¢
Safety Inspector	34¢ - 36¢

Warehouse Locations Hourly Pay Scale

Employee Skill Level	Pay Scale
Warehouse Worker	\$0.67
Warehouse Delivery	\$1.05
Office Clerk	\$1.05
Team Leader	\$1.16
Sanitation	\$0.79

MCE Institutional Daily Pay Scale

Employee Skill Level	Pay Scale
Laundry Collection	\$1.31/day
Recycle Collection	\$1.31/day

Work Release Employees-are paid minimum wage.

Longevity pay may be awarded to any inmate who has reached their position's top pay rate and has at least one year of employment. They will be reviewed annually by the Business Unit Manager for a pay increase. Hourly pay rate workers may receive a .01 ¢ per hour pay increase, subject to approval by the Regional Manager and the Operations Manager, COO or CEO.

Pre-release warehouse workers who are not asked to report for work on a normal workday by the Warehouse Manager or designee will receive four hours of pay at their current pay rate for the day.

MANAGING FOR RESULTS (MFR)



RECRUITMENT, DEVELOPMENT & RETENTION

Maryland Correctional Enterprises relies on qualified managerial, office, 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, woodworkers, tractor-trailer drivers, etc. – has become a challenge. The DPSCS Human Resources Services Division oversees and coordinates all MCE recruitment efforts by state law and regulations outlined by the Maryland Department of Budget and Management. During the Managing for Results Seminar, staff members established a goal to maximize inmate employment by maintaining a safe staff to inmate ratio as recommended by the National Institute of Corrections and the National Correctional Industries Association. MCE strives to develop staff and promote from within to retain talented staff. MCE also hires ex-offenders, approximately 20% of MCE's headquarters personnel are returning citizens.

In FY 2020, data from the National Correctional Industries Association 2019 Directory revealed an average Civilian Staff/Inmate Employee Ratio of 1:9.4. At the close of FY20 on 6/30/2020, MCE data revealed an average Civilian Staff/Inmate Employee Ratio of 1:5.7 and an average Supervisor/Inmate ratio of 1:8.6. These ratios do not reflect normal operations and are a result of the COVID-19 Pandemic.

Fiscal Year	MCE					NCIA		
	Civilian Staff	Plant Supervisors	Inmates Employed	Civilian/Inmate Ratio	Supervisor/Inmate Ratio	Civilian Staff	Inmates Employed	Civilian/Inmate Ratio
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	6,652	62,602	1:9.4
2016	148	100	2,035	1:13.8	1:20.4	6,601	60,705	1:9.2
2017	146	97	2,042	1:14.0	1:21.0	6,883	62,949	1:9.1
2018	137	93	1,719	1:12.5	1:18.5	6,820	61,654	1:9.0
2019	133	83	1,516	1:11.4	1:18.3	6,571	63,190	1:9.4
2020	143	95	821	1:5.7	1:8.6			

*FY20 ratios as of 6/30/20 do not accurately reflect the ratio throughout the fiscal year which are closer to a Civilian/ Inmate Ratio of 1:10.3 and a Supervisor/ Inmate Ratio of 1:15.6.

STAFF & STAKEHOLDERS

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 an 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 the attainment of the long-range goals and objectives by the accomplishment of the shorter-term strategies. However, the success of the plan is only achieved through cooperation and teamwork.

The 2020 MFR Seminar was held remotely due to the COVID-19 pandemic. Despite the altered format, MCE was able to establish new goals and objectives to promote success in a new era of the organization.

BACKGROUND AND EXPANSION

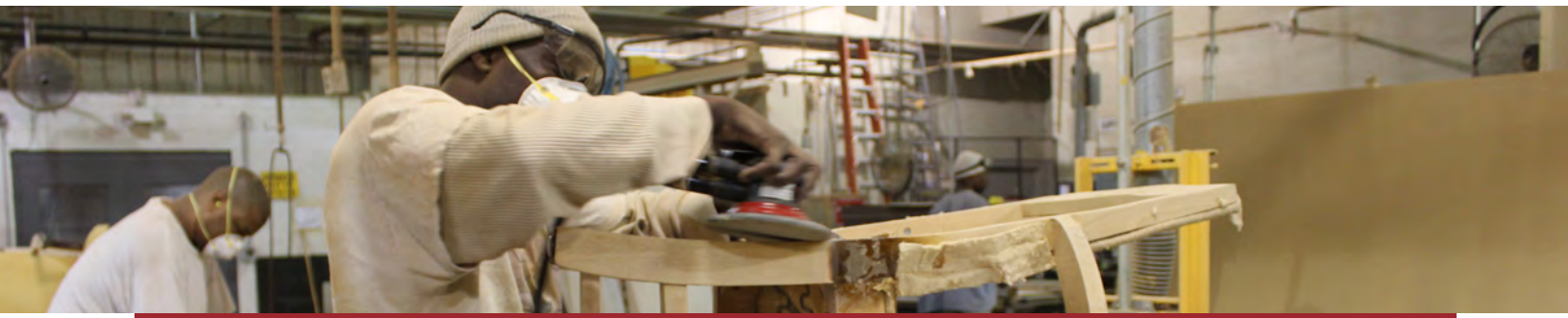
Prison industry programs in Maryland have been authorized since at least 1916, and in the United States since the 19th century. Poor prison work conditions, inmate exploitation, and the advent of the Depression caused Congress to enact legislation making the transport of prisoner-made goods in interstate commerce a federal criminal offense and prohibiting the use of prison labor to fulfill federal contracts over \$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 P.I.E.C.P. 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 1980s. SUI had to borrow \$2.0 million from the State (FY1983 Operating Loan). 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 to convey the message that MCE is a business entity and is allowed to serve non-profit organizations and political subdivisions of the State in addition to units of State government.

COUNCIL ROSTERS



MANAGEMENT COUNCIL

Management Council Members

Dr. H. David Jenkins
Executive Director

Ms. Ashley Lohr
Staff Assistant

Name

Senator Douglas J.J. Peters
Vacant
Mr. Wayne Hill
Mr. Stephen Sanders
Judge Lisa Broten
Ms. Anne Klase
Mr. Fred Mason
Ms. Sarah Myers
Ms. Danielle Cox
Mr. Jack Weber
Ms. Nikki Zaahir
Mr. Melvin Forbes
Vacant
Vacant

Affiliation

Senate of Maryland
Maryland House of Delegates
Acting Deputy Secretary of Operations
Chief Executive Officer, Maryland Correctional Enterprises
Associate Judge, District Court of Md., District 10, Howard Co.
Deputy Chief of Staff, Maryland Comptroller
Maryland State Department of Education
Governor's Office of Crime Control and Prevention
Department of Labor, Licensing, and Regulation
President, Uptown Press, Inc.
Executive Director, Vehicles for Change
President, Wilkerson Sports Enterprise
Organized Labor-Private Sector
Organized Labor -Public Sector

CUSTOMER COUNCIL

Customer Council Members

Mr. Stephen Sanders
MCE CEO and Council Chair

Ms. Ashley Lohr
Staff Assistant

Name

Mr. John West
Ms. Brenda Lee
Mr. Danny Mays
Mr. Curtis Murray
Vacant
Daniel Schuster
Vacant
Vacant
Mr. Calvin Johnson
Mr. Todd Deak
Ms. Nicole Copeland

Affiliation

Department of Budget and Management
Department of Commerce
Department of General Services
Department of Human Services
Maryland Department of Transportation
Maryland Higher Education Commission
Montgomery College
Morgan State University
Department of Health
MCE Resource to the Council
MCE Resource to the Council

MCE COVID-19 Response

MCE COVID-19 Response

DPSCS and Maryland Correctional Enterprises (MCE) are dedicated to being on the forefront of the battle against COVID-19. This crisis has created fear and uncertainty around the world, but it has also encouraged an unrivaled sense of community. Since the beginning of March, our staff has been diligently researching and manufacturing products to combat this disease and create a safer environment for staff and inmates throughout DPSCS, as well as our customers. Our sneeze guards and face shields have been distributed across the state to help stop the spread of the virus. The hand sanitizer that we are producing is being distributed to the field and agencies across that state. The work that we are doing is extraordinary and is making a difference. A special thanks to all of our staff who have gone to great lengths to quickly repurpose plants and dedicate efforts to this ongoing battle. Every single one of our business units, warehouses, headquarter staff members, and inmate workers have been essential to our emergency operations.

In response to the COVID-19 Pandemic, MCE is proud to now offer the following protective workspace solutions for our customers:

Personal Safety Equipment

- Personal cotton sneeze guards (face masks)
- Face shields
- Reusable hospital gowns
- Alcohol based hand sanitizer gel

Protective Workspace Solutions

- Mobile Barriers (Vinyl and Plastic)
- Cubicle Wall Additions and Stackers
- Rolling Doors
- Counter-top/Tabletop Screens and Barriers
- Genius Walls
- Safety Signage



Hand Sanitizer



Face Shields



Personal Cotton Sneeze Guards
(Face Masks)



Reusable Hospital Gowns

MCE COVID-19 Response Continued –

At MCE, we understand the concerns and uncertainties surrounding the return to the workplace. In an effort to assist in the battle against COVID-19, we were proud to present the Protective Workspace Solutions Catalog. The items showcased in this catalog were developed based on industry standards and guidelines to promote continued safety as the state reopens. The catalog covers everything from personal equipment to workspace solutions designed to minimize the spread of harmful pathogens.

At a time when it is necessary to reimagine the workplace, we are doing all we can to provide you with diverse, quality solutions that can adapt to any space. We are continuously updating these product offerings to find the best, cost effective solutions to accommodate our customers' workforce. We look forward to the opportunity to join your organization in stopping the spread. Stay safe!



Mobile Barriers



Rolling Doors



Table Display
(Round Table)



Countertop Protective Screen



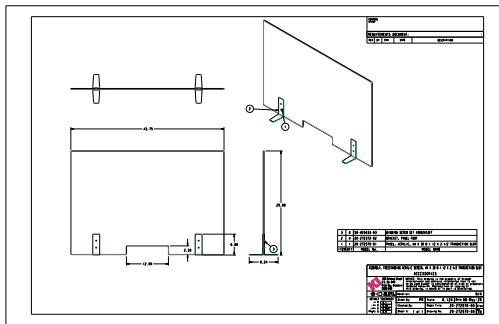
Connection Zone



Barrier Pass Through Screen



Floor Decal

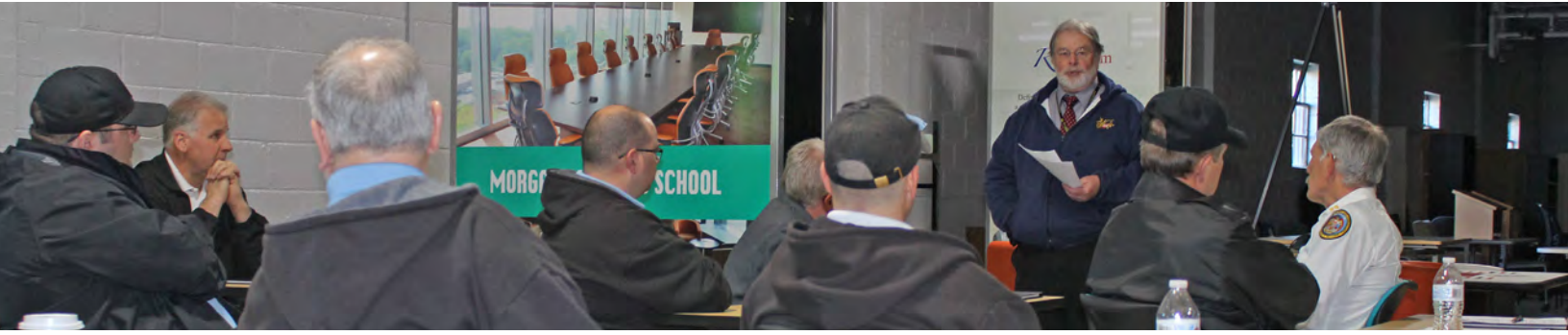


Transactional Counter Top



Genius Wall

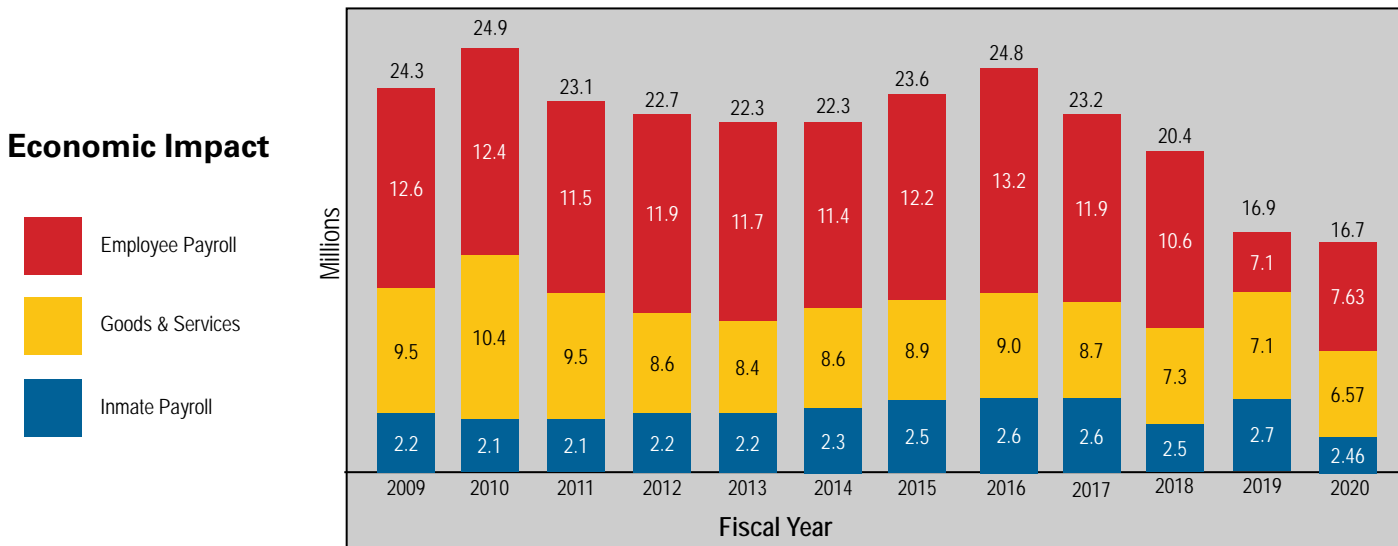
ECONOMIC IMPACT



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 2020				
AREA	GOODS & SERVICES	EMPLOYEE PAYROLL	INMATE PAYROLL	ECONOMIC CONTRIBUTION
Baltimore City	\$1,336,040.43	\$925,862.48	0	\$2,261,902.91
Baltimore County	\$1,581,870.71	\$1,405,233.96	0	\$2,987,104.67
Eastern Shore	\$172,336.15	\$695,525.69	\$279,797.00	\$1,147,658.84
Washington, Frederick & Carroll County	\$361,772.42	\$2,209,421.080	\$778,726.86	\$3,349,920.36
Anne Arundel & Howard County	\$1,980,545.63	\$1,352,660.70	\$1,342,280.45	\$4,675,486.78
Montgomery County	\$141,976.96	\$87,318.28	0	\$229,295.24
Cecil and Harford County	\$811,940.27	\$348,645.53	0	\$1,160,585.80
Prince George's County	\$186,316.38	\$431,310.94	0	\$617,627.32
Southern Maryland	\$0	\$51,018.26	\$1,303	\$51,018.26
Western Maryland	\$2,152.19	\$124,617.50	\$61,270.14	\$188,039.83
Maryland Total	\$6,574,951.14	\$7,631,614.42	\$2,462,074.45	\$16,668,640.01
Out of State Total	\$32,696,615.81	\$902,612.28	\$0	\$33,599,228.09
Grand Total	\$39,271,566.95	\$8,534,226.70	\$2,462,074.45	\$50,267,868.10

Total Economic Impact (Direct and Indirect) for FY 2020 that MCE had on the State of Maryland was \$67.3 million.



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

ECONOMIC IMPACT (continued)



On September 29, 2015, MCE received the "Economic Impact of Maryland (MCE)" paper by Dr. Frederick Derrick and Dr. Charles Scott, Professors of Economics at Loyola University of Maryland as excerpted below:

Input-Output Model

The impacts of Maryland's MCE production are estimated using the IMPLAN input-output model for Maryland. IMPLAN generates regional input-output models by converting the United States Benchmark Study of input-output accounts to a regional or local model and closely follows the accounting convention used by the Bureau of Economic Analysis. The model allows examination of financial transactions between businesses and between businesses and final consumers in a region.

IMPLAN uses regional economic accounting to construct state and local level multipliers describing the short run, industry-specific, localized impacts of increased economic activity in a given sector. Regional Purchase Coefficients (RPC's) are provided in the model to adjust for purchases made from out-of-area vendors. The results are industry-specific because IMPLAN measures the ripple effects of given output or employment changes on other industries as purchases work their way through the economy.

Economic Impact Conclusion

The net economic impact of Maryland Correctional Enterprises in 2014 is positive on the Maryland economy. This conclusion is based on input-output analysis adjusted to account for the unique nature of prison labor. This finding is consistent with the findings in prior years. Assuming no crowding out, MCE production in the state of Maryland created 367 private jobs and \$22.8 million in private labor income in 2014. Under a more realistic assumption that a portion of the prison production crowds out in-state production, the net effect of MCE is an increase of 2091 prisoner jobs, a net increase of 217 private-sector jobs, \$15.0 million of additional private sector income, \$2.3 million prisoner income in the state, \$27.8 million of new value-added, and \$60.0 million in new output. These net additions to the Maryland economy generated \$1.4 million in state tax receipts.



The positive impact of MCE in the state is understated above. The results from this study do not include the additional benefit of the impact of MCE participation on the rate of recidivism. These benefits accrue to the state, to the private sector, and the prisoners participating in MCE. Our published research on the long term implications of prison industries in Ohio indicates that former prisoners participating in prison industries recidivate at a slower rate in the short run and aggregate over the long run. After 10 years, the recidivism rate for prison industries participants is approximately one third lower than for nonparticipating prisoners. With an average annual incarceration cost over \$43,000 per year per prisoner, the reduced recidivism is a notable saving to the state and allows for the potential reduction in tax rates and/or funding of alternative state initiatives."

A LOOK AHEAD



MCE Graphics/Textile Plant at Jessup Correctional Institution (210 inmate positions). Design funding is anticipated in FY 2025. Construction (FY 2026-2027) for a 21,000sq. ft. pre-engineered metal building to house a Graphics/Textiles 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.

MCE and the Division of Capital Construction are currently investigating the construction of structure to permanently house a hand sanitizer manufacturing operation for FY2021.



FINANCIAL (FINANCIAL STATEMENTS)



Maryland Correctional Enterprises Statements of Net Position

Statements of Net Position

As of June 30, 2020 and 2019

	(Unaudited) 2020	(audited) 2019
ASSETS		
Current Assets:		
Cash	\$12,702,968	\$18,889,084
Accounts Receivable, net	12,251,050	6,907,518
Inventories	14,851,461	12,804,457
Other Assets	136,470	55,119
Total Current Assets	39,941,949	38,656,178
Capital Assets, Net of Accumulated Depreciation:		
Construction in Progress		
Equipment	3,719,324	3,063,836
Structures and Improvements	4,444,674	5,246,879
Total Capital Assets, Net	8,163,998	8,310,715
Total Assets	48,105,947	46,966,893
Deferred Outflows Related to Pensions	3,588,712	4,378,521
LIABILITIES AND NET POSITION		
Liabilities:		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$2,145,714	1,537,580
Accrued Vacation and Workers Compensation Costs	777,608	780,637
Customer Deposits	10,329	-
Deferred Revenue	302,130	295,049
Total Current Liabilities	3,235,781	2,613,266
Noncurrent Liabilities:		
Net Pension Liability	15,513,766	15,513,766
Accrued Vacation and Workers Compensation Costs	788,753	758,612
Total Liabilities	19,538,300	18,885,644
Deferred Inflows Related to Pensions	336,993	1,126,805
Net Position:		
Invested in Capital Assets	8,163,998	8,310,715
Unrestricted	23,655,367	23,022,250
Total Net Position	\$31,819,365	\$31,332,965

FINANCIAL STATEMENTS (CONT'D)



Maryland Correctional Enterprises Statements of Revenue, Expenses, and Change in Net Position

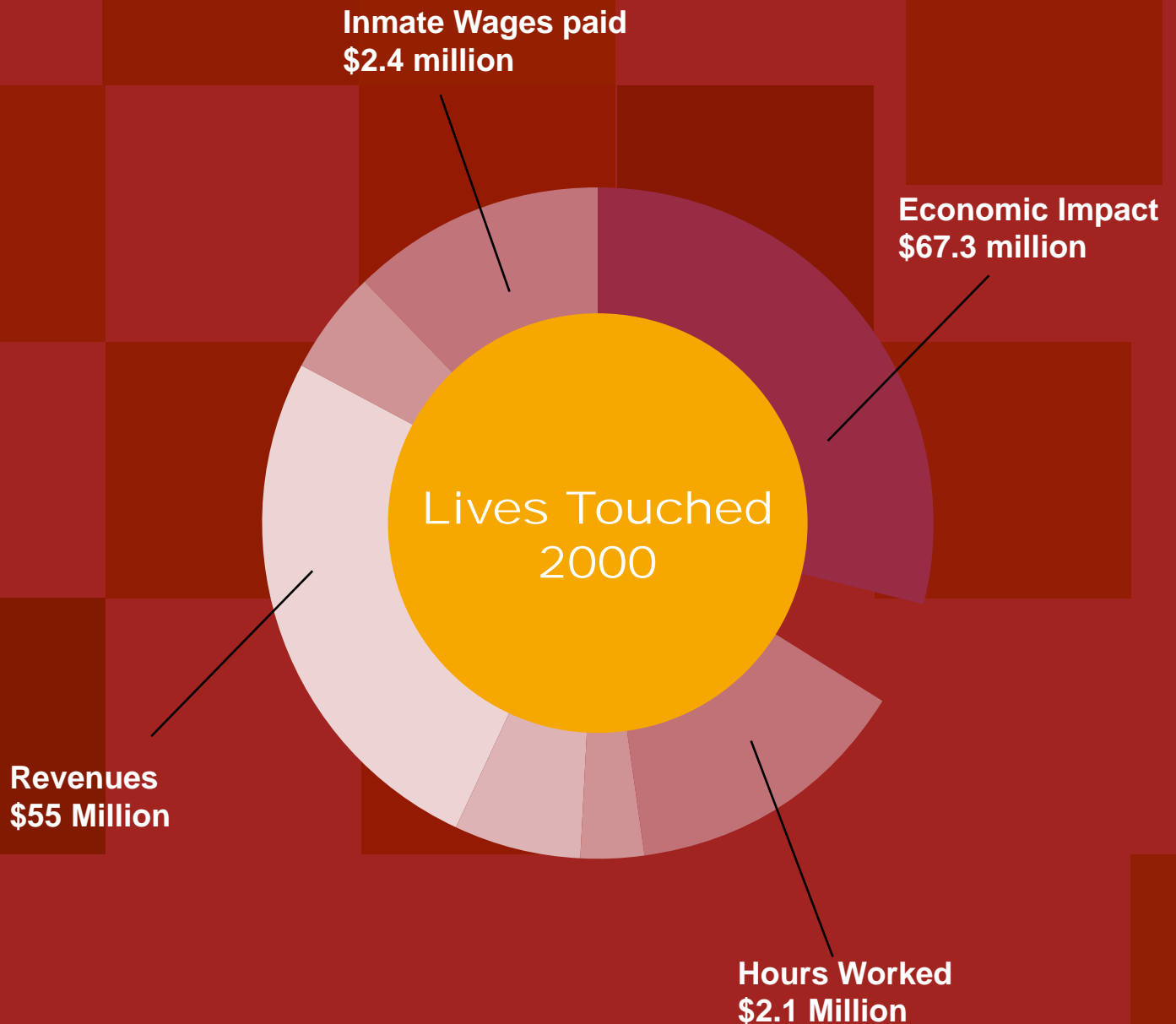
Statements of Revenue, Expenses, and Change in Net Position

For the Years Ended June 30, 2018 and 2019

	2020	2019
Operating Revenue:		
Sales and Services	\$55,772,210	52,457,139
Operating Expenses:		
Cost of Sales and Services	44,706,410	40,980,139
Selling, General, and Administrative Expenses	6,468,623	6,165,466
Other Selling, General, and Administrative Expenses	3,105,390	3,113,124
Depreciation	1,007,208	1,103,698
Total Operating Expenses	55,287,631	51,362,427
Operating Income	484,579	1,094,712
Nonoperating Revenue and Expenses:		
Miscellaneous Income	1,665	-
Gain (Loss) on Disposal of Assets	153	(218)
Nonoperating Expenses, Net	1,818	(218)
Income Before Transfers and contributed capital	486,397	1,094,494
Transfer to State of Maryland General Fund		-
Change in net Position	486,397	1,094,494
Net Position, Beginning	31,332,968	30,238,471
Net Position, Ending	\$31,819,365	31,332,965

CONCLUSION

Despite overwhelming obstacles faced in FY2020, MCE persevered and was able to achieve revenues in excess of the Business Plan Goal. Overall, MCE was seeing positive progress until the onset of the COVID-19 pandemic. MCE is continuing to investigate strategies to adapt to the current climate so that we can continue to be successful while increasing revenues, increasing inmate employment, and maintaining institutional safety as a top priority. Despite the challenges MCE has faced in recent years, we have maintained a top ten ranking in the nation in regards to revenues and traditional correctional industry employment. We are proud to do our part in creating a better, safer Maryland for all.





MARYLAND CORRECTIONAL ENTERPRISES

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