



2021

ANNUAL REPORT



Annual Report

FY2021



October 1, 2021

Lawrence J. Hogan
Governor

Boyd K. Rutherford
Lt. Governor

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

Wayne Hill
Deputy Secretary of Operations

Stephen Sanders
Chief Executive Officer

MCE
Furniture



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.
- (c) The Governor, the Secretary, and the Secretary of Budget and Management may include data from the report submitted under this section in the preparation of the budget and capital improvement bill.

OVERVIEW

Maryland Correctional Enterprises (MCE) is the self-funded, vocational training arm, of the Division of Correction within the Department of Public Safety and Correctional Services. The Mission of MCE is to provide structured training activities for participants in order to improve employability upon release, to enhance safety and security by reducing prison idleness, to produce quality goods and services, while remaining 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 in 10 State correctional facilities throughout Maryland. MCE provides programming and training to incarcerated individuals whose security classifications include maximum, medium, minimum, pre-release, and work-release. MCE offers a wide array of products and services including furniture restoration, printing/signage, textiles, meat products, laundry services, license plates, and graphics.



A MESSAGE FROM THE CEO

Maryland Correctional Enterprises (MCE) continually strives to accomplish its mission of providing meaningful vocational training to the incarcerated population across the state in order to improve chances of success upon release. Despite the continued hardships faced internationally this year as a result of the COVID-19 Pandemic, MCE has faced challenges head on to promote the continued success of our programming.

As a result of MCE's quick ability to adapt to an every-changing environment, FY21 revenues exceeded \$50 million, enabling MCE to touch the lives of over 1,000 participants throughout the year. MCE provided over one million training hours to our participants and will use profits to invest in programs and training that benefit our participants, customers, and the State.

MCE provides participants with much needed hard and soft skills training to better prepare for life and sustainable careers after incarceration. Studies across the nation continue to show that correctional industry training programs have a positive effect on reducing states' recidivism rates. With annual incarceration costs per individual above \$51,000, lower recidivism lowers the cost of incarceration to the State.

To enhance our reentry efforts, MCE continues to offer our Continuing Allocation of Reentry Services (CARES) program to individuals nearing release. This program enables participants to receive additional workforce development and cognitive behavioral training. Since 2008 implementation, over 390 participants have graduated from this program.

To support rehabilitative justice efforts in Maryland, MCE participants are also able to take part in community-based initiatives such as preparation for the Annual Bea Gaddy Thanksgiving Dinner. For over twenty years, MCE staff and participants have cooked and prepared turkeys for this event, feeding thousands of families across Baltimore.

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. Participants in this program earn prevailing wages and make contributions to the State victim restitution fund. MCE currently runs one P.I.E.C.P. program at the Maryland Correctional Institution in Hagerstown.

In order to remain in alignment with national best practices, MCE remains an active member of the National Correctional Industries Association and American Correctional Association (ACA). MCE is 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, Deputy Secretary of Operations Wayne Hill, Acting Commissioner Annie Harvey and their respective staffs, MCE Management Council, MCE Customer Council, DOC Wardens, our many community partners and the patronage and support of our customers.

Sincerely,



Stephen Sanders
Chief Executive Officer



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Mission Statement:

Maryland Correctional Enterprises provides structured programming for participants by improving interpersonal skills and employability upon release, enhancing safety and security by reducing prison idleness, and producing quality goods and services while remaining 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	Ashley Lohr (Acting)
Chief Administrative Officer	Mark Rowley
Chief Development Officer	Vacant
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	Jim Cluster (Acting)
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	Tom Seltzer
Graphics	Stephen Compton (Acting)
Central Warehouse	Derek Hadley
Hagerstown Warehouse	Ricky Rowe

SALES & TRAINING PARTICIPATION

AS OF JUNE 30, 2021

BUSINESS UNITS FY 2021	SALES	TRAINING PARTICIPATION
Jessup Correctional Institution		
Wood – office, lounge and dormitory furniture, tables, library shelving	1,562,344	51
Tag – metal motor vehicle license tags and picnic furniture	5,646,688	44
Sew – institutional uniform items and DPSCS officer uniform items	2,215,305	51
Maryland Correctional Institution – Jessup		
Graphics I – complete line of forms, reports, custom printing, magazines and related special products, four color printing	1,004,613	62
Graphics II – envelopes, business cards, letterhead, etc.	1,548,793	30
Quick Copy Service – digital b/w and color, high speed digital printing, binding, finishing, packaging, shipping, collating, stapling	419,046	15
Maryland Correctional Institution for Women		
Sew/Flag – shirts, gowns, bathrobes, flags, aprons, embroidery, sweatshirts	775,946	31
Mailing and Distribution – bulk mailing, distribution service, data entry	2,259,708	17
Design and Planning – office design using CADD system	0	9
Maryland Correctional Institution – Hagerstown		
Metal ¹ – shelving, beds, tables, wastebaskets, chairs, benches, lockers, storage, Flexstation office furniture	6,034,759	35
Laundry – industrial cleaning of laundry for institutional and non-profit entities	161,602	17
Upholstery – task seating, side chairs, lounge furniture, multi-purpose seating	6,520,703	25
Meat – ground beef, chopped steaks, meat loaf, roasts, chops, ribs, hotdogs, lunch meats, sausage	9,328,765	39
Hagerstown Warehouse – backhaul operations and shipment of products produced in Hagerstown	72,763	8
Roxbury Correctional Institution		
RCI Graphics – file folders, interoffice envelopes, report covers, vinyl binders, production of MVA vehicle registrations and special orders	2,359,081	70
Recycling and Agriculture – recycling of aluminum and steel cans, cardboard, paper, pallets, and plastic	60,782	0
Maryland Correctional Training Center		
Partition – work stations, office panels, sight screens, System XXI, PowerWorks	2,023,307	13
Brush & Carton – utility brushes, corrugated cartons, and furniture assembly Cleaning Products – all-purpose and germicidal cleaners	1,480,825	13
Western Correctional Institution		
WCI Furniture – laminated component parts and various furniture items (Volition, Aristotle & Darwin office furniture)	2,122,651	44
Eastern Correctional Institution		
Furniture Restoration – refinishing/restoration of wood, metal, and upholstered furniture	657,241	50
Textiles – towels, washcloths, hats, uniform clothing/shirts, embroidery, sewn, and RF Seal mattresses	2,550,918	59
Laundry Operations – industrial cleaning of laundry for institutional and non-profit entities	141,481	7
Patuxent Institution		
Sign & Engraving– street signs, custom made signs to order, vehicle wraps, plaques, picture frames and laser engraving	681,905	30
Central Maryland Correctional Facility		
Laundry Operations ² – industrial cleaning of laundry for institutional and non-profit entities	417,007	106
Jessup Area		
Central Warehouse – shipment of all products produced at Baltimore metropolitan area prisons, moving, labor, and courier service	129,825	7
Total	50,176,058 (Unaudited)	833

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

² Includes laundry collection workers from Jessup Correctional Institution

TRAINING CENTER LOCATIONS



1 Western Correctional Institution

2 Maryland Correctional Institution Hagerstown

3 Roxbury Correctional Institution

4 Maryland Correctional Training Center

5 Central Maryland Correctional Facility

6 Jessup Correctional Institution

7 Maryland Correctional Institution - Jessup

8 Maryland Correctional Institution - Women

9 Brockbridge Road Warehouse & Showroom

10 Patuxent Institution

11 MCE Headquarters/ Central Warehouse

12 Dorsey Run Correctional Facility

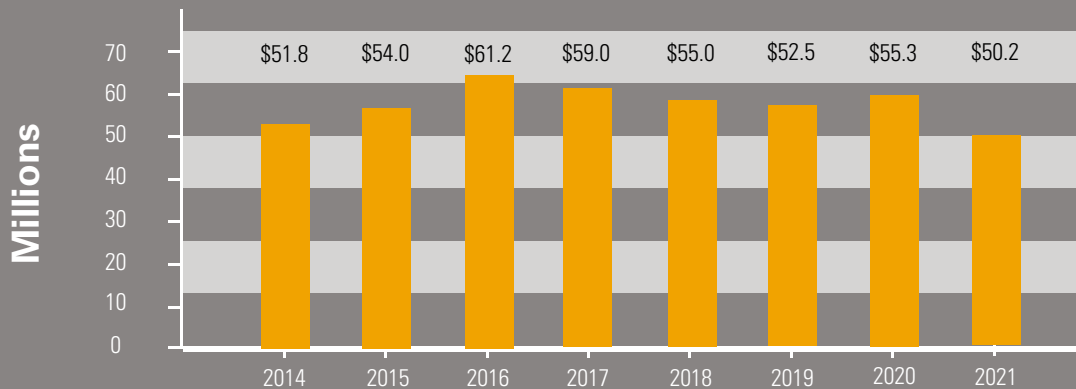
13 Eastern Correctional Institution

TOP TRAINING CENTERS

FY 2021

	Training Center	Institution	FY21 Revenues	%
1	Meat/Food Processing	MCI-H	9,328,765	18.6%
2	Upholstery	MCI-H	6,520,703	13.0%
3	Metal	MCI-H	6,034,759	12.0%
4	Tag and Outdoor Furniture	JCI	5,646,688	11.3%
5	Furniture	JCI	2,122,651	4.2%
6	Partition	MCTC	2,023,307	4.0%
7	Mailing & Distribution	MCIW	2,259,708	4.5%
8	Sew	JCI	2,215,305	4.4%
9	Textiles	ECI	2,550,918	5.1%
10	RCI Graphics	MCIJ	2,359,081	4.7%
	Total		41,061,885	81.8%

Maryland Correctional Enterprises Self-Funded Earnings



FY 2021 SALES BY REGION, MD

MCE has exceeded earnings of \$50 million since 2008.

Western
60.9%

Eastern
6.7%

Central
32.4%

COUNCIL ROSTERS



MANAGEMENT COUNCIL

Management Council Members

Dr. H. David Jenkins
Executive Director

Ms. Tyrese Jackson
Staff Assistant

Name

Vacant

Vacant

Ms Annie Harvey

Mr. Stephen Sanders

Judge Lisa Broten

Ms. Anne Klase

Mr. Fred Mason

Ms. Juliana Palmer

Ms. Danielle Cox

Mr. Jack Weber

Ms. Janell Johnson

Mr. Melvin Forbes

Mr. Tom Hickey

Vacant

Mr. Joe Cox

Affiliation

Senate of Maryland

Maryland House of Delegates

Acting Commissioner

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

University System of Maryland

Organized Labor-Private Sector

Organized Labor-Public Sector

CUSTOMER COUNCIL

Customer Council Members

Mr. Stephen Sanders
MCE CEO and Council Chair

Ms. Tyrese Jackson
Staff Assistant

Name

Mr. John West

Ms. Brenda Lee

Mr. Mark Riesett

Mr. Curtis Murray

Vacant

Mr. Daniel Schuster

Ms. Catherine Baugh

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

Department of Health

MCE Resource to the Council

MCE Resource to the Council

QUICK SHIP PROGRAM

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 is 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



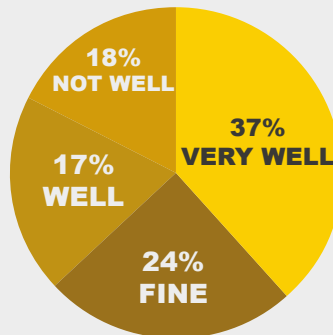
CUSTOMER SATISFACTION

YOUR FEEDBACK CHANGES LIVES!

The results of the Customer Satisfaction Survey offers Maryland Correctional Enterprises (MCE) the opportunity to improve performance in areas that are important to our customers. The following graphs represent findings from the Fiscal Year 2021 Customer Satisfaction Survey. Data was collected from 55 participants and the survey closed on June 30, 2021.



Quality of MCE Products & Services



MCE's Products Met Customers' Needs



Customer Satisfaction with MCE Products

CUSTOMER SATISFACTION

We are pleased that, on average, 38% of the survey participants reported their level of satisfaction with the quality of MCE products and services as excellent and we met their needs very well.

THANK YOU FOR YOUR FEEDBACK!

When you buy from MCE you are not just buying a product - you are changing a life!

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. Individuals under the PIE program must be paid the industry prevailing wage and no less than the federal minimum wage. Deductions are allowed from the 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. Throughout FY21, participants were employed at Metal I at a rate of \$11.79 per hour (this rate has increased to \$15 per hour as of 7/1/2021). Throughout FY 2021, the P.I.E.C.P. Program accounted for 1,824 working hours which allowed for \$6,676 to be distributed to room and board and \$3,924 to be paid into the state's Victims Compensation Fund.

Conventions

MCE was able to attend the following conventions during FY21:

MCE's convention participation was greatly reduced as a result of cancellations due to the COVID-19 Pandemic.
Maryland Municipal League (MML) – June 2021



2021 OUTREACH EFFORTS



Bea Gaddy Turkeys

Maryland Correctional Enterprises (MCE) participants from the Hagerstown Meat Plant have been preparing turkeys for Baltimore's Bea Gaddy Thanksgiving Dinner for over 30 years. Despite the pandemic, we are still doing our part to make this commendable community event happen by cooking 200 turkeys that will be distributed to those in need. <https://www.mce.md.gov/MCE-Blog/Post/1588>



COVID-19 Response Effort

Many MCE employees and participants 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 coordinated travel and distribution of vital supplies.

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



Face Shields



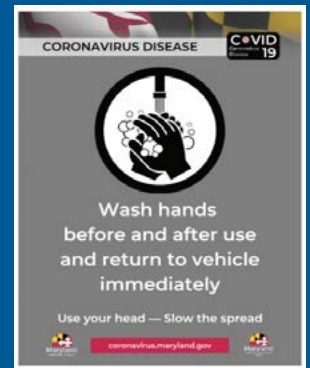
Personal Cotton Sneeze Guards (Face Masks)



Reusable Hospital Gowns



Hand Sanitizer



COVID Signage



Floor Decal

TELLING THEIR STORIES



During Dale's incarceration, he joined Maryland Correctional Enterprises (MCE), joining our Sewing Plant first and then moving on to our Laundry Plant. At our Laundry Plant in Sykesville, he learned about our C.A.R.E.S. program. In the program, he participated in our very first C.A.R.E.S. class, Critical Thinking. This class proved to be valuable to Dale by teaching him to research before making decisions. Upon release, Dale had various positions in the food industry, non-profit industry, and the cleaning industry. Dale aspires to work in missions, teaching people how to sew.

Where is Dale now?

Dale has earned two Master's Degrees in Divinity and Christian and Biblical Studies. He works at a homeless shelter in Frederick, MD, at a non-profit and he volunteers at one of the correctional facilities in Maryland.



DALE



While incarcerated, Tony joined Maryland Correctional Enterprises (MCE) – in our Wood Plant, Sewing Plant, and Graphics Plant. Immediately following release, he was able to sustain himself utilizing saved earnings from MCE. With 12-13 years of experience in graphics, he secured a job post release at a private company in the Baltimore Metropolitan area.

Where is Tony now?

Tony works at Uptown Press as a Digital Copier Operator. Uptown Press is committed to continuing to hire MCE participants.



TONY

REENTRY SERVICES

Continuing Allocation of Reentry Services (C.A.R.E.S.): Our C.A.R.E.S. classes restarted at MCI-H via the Google Meets platform in May 2021 and will finish at the end of August 2021. Twelve participants are expected to graduate from our program. The classes include practical applications of workforce development and employment readiness taught by our local partners, Gatekeepers, Inc. and Horizon Goodwill. We were fortunate to have a financial expert columnist from the Washington Post and her husband teaching our financial literacy classes. The programming also includes the National Institute of Corrections (NIC) complete cognitive behavioral therapy, evidence-based program, entitled, Thinking 4 a Change taught by our MCE staff.

We continue to provide hundreds of hours of certifications from our plants and shops and now, thanks to technological advances in live format meeting platforms, we are planning to expand our classes to more facilities.

MCE also offers resource support to current and past participants. Working closely with our agency partners, the Department of Labor reentry navigators, we can target our support to the individual. Resources can include, but are not limited to, providing specifics that address their stated needs, confirming home plans, working closely with case managers and offering phone conferences with individuals, suggesting and contacting companies for employment options. We also encourage post-release follow up. Several companies wishing to interview to hire our former program participants have contacted us. The following list provides an overview of some of the fields of employment in which former MCE men and women found employment over the past year.

- Inventory Management
- Graphic Design/ CADD
- Warehousing/logistics
- Textile Manufacturing
- Furniture/ Upholstery Production
- Printing and Graphics
- Facilities Maintenance
- Warehousing
- Commercial Laundering Services
- Non-Profit Services and Administration
- Meat Cutting/ Food Processing
- State Government
- Customer Service
- Floor coverings
- Door & window installation
- Driver
- Electrician
- Culinary Arts School



NCIA ARTICLE - WHY I WORK IN CI

By: Jim Cluster, Sr.



I began my career with Maryland Correctional Enterprises (MCE) in August 1986 as a Pressroom Supervisor. Over the years, I had the opportunity to work in every institution in Maryland— eventually advancing to my current position as the Graphics Regional Manager. Like many other Correctional Industry programs across the country, our services are used by Maryland state agencies, government entities, and non-profit organizations. Over the years, it quickly became evident that we are a people-based organization. Our work starts by offering opportunities and training to male and female incarcerated individuals throughout the state.

We build working relationships with the wardens, assistant wardens, correctional officers, the Commissioner, the Maryland General Assembly, our customers, and my co-workers at MCE. When I began my journey, I can honestly say I was not sure if this was what I wanted to do for the rest of my career. However, after working with the incarcerated individuals and becoming a mentor, I decided to dedicate over thirty years to this field. I still get a sense of pride looking at all of the accomplishments I have witnessed over the years. Every day, I know we are working towards developing skills and a positive work ethic to help returning citizens succeed. We not only offer them training, but structured support and confidence that can be invaluable during incarceration. It is gratifying to know we are making a difference. As anyone in our field knows, our work doesn't stop once participants are eligible for release. We know we've given them the skills to succeed on the outside, but we also help them seek employment and the tools they need for a second chance in life. Studies across the country continue to show that Correctional Industries reduce recidivism on a national level... we feel this is a great reflection of the work we do here at MCE. This is why I've continued my career in this field. I take great pride in seeing the men and women we have worked with and trained succeed after being released. I would highly recommend this career path to anyone.

PARTICIPANT COMPENSATION

MCE's daily compensation rate currently ranks among the top 11 correctional industries in the nation (including UNICOR). MCE is in the process of studying and increasing compensation rates for program participants. The new classifications will be based on a three-tier team member scale and will begin in FY22.

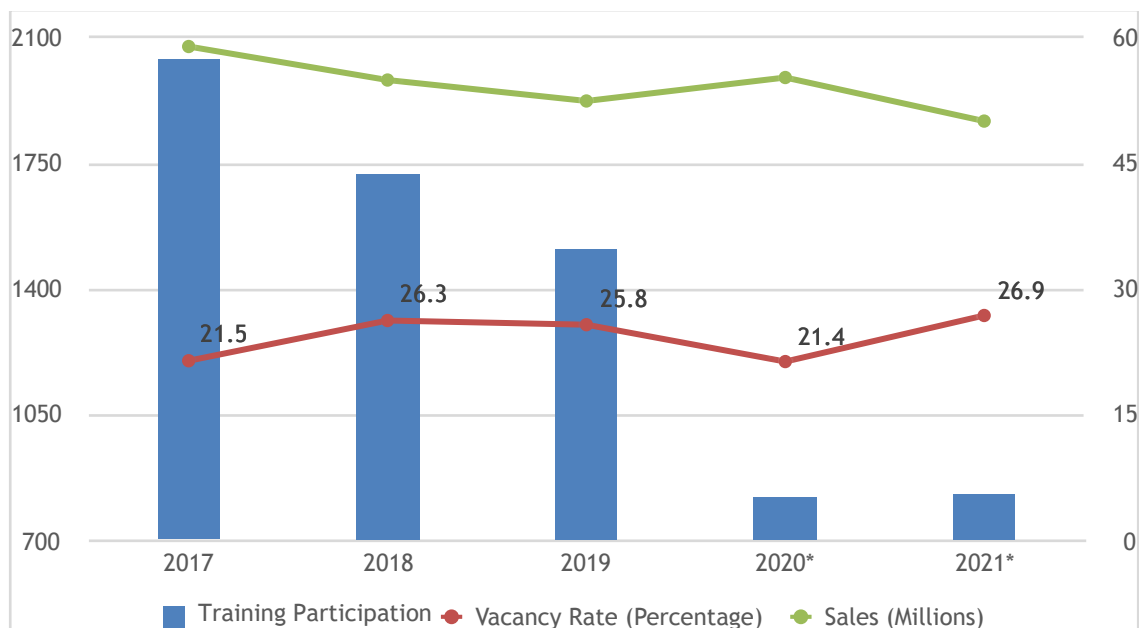
MCE Daily Training Compensation			
Classification	5 Day Daily Rate	4 Day Daily Rate	% of Participants in Classification per Location
Institutional Training Centers			
Unskilled	\$1.36 - \$15.69	\$1.68 - \$17.50	18.4%
Semi-Skilled	\$1.58 - \$17.29	\$2.31 - \$20.05	4.5%
Skilled	\$2.10 - \$20.39	\$2.57 - \$22.59	23.0%
Craftsman	\$2.36 - \$15.53	\$3.66 - \$21.49	19.7%
Team or Line Leader	\$2.56 - \$20.30	\$3.79 - \$22.13	21.2%
Clerk	\$2.16 - \$20.37	\$4.10 - \$23.04	9.2%
Invoicing Clerk	\$11.53 - \$17.13	\$11.53 - \$17.13	0.5%
Quality Control	\$5.22 - \$15.64	\$5.06 - \$18.60	3.6%
Safety Inspector	\$7.95 - \$17.63	\$7.95 - \$17.63	0.3%
Warehouse Locations			
Warehouse Worker	\$8.40 - \$8.71	\$15.61 - \$20.93	75.0%
Warehouse Clerk/ Lead	\$8.40 - \$9.52	\$8.40 - \$9.52	25.0%
Institutional Assignment (Funded by MCE)			
Laundry Collection	\$1.31		100.0%
Special Programs			
Work Release	\$94.00		100.0%
Prison Industry Enhancement Certification Program	\$94.32		100.0%

*PIECP participation wages increased to \$120 per day effective July 1, 2021

MCE's average monthly compensation rate exceeds \$180 within the institutional training centers.

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 participation by maintaining a safe staff to participant 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 returning citizens, approximately 20% of MCE's headquarters personnel are returning citizens. Overall our civilian to participant goal is 1:20.



**Due to COVID-19 safety precautions, DPSCS closed several MCE business units throughout the fiscal year and decreased the workforce to ensure the safety of staff and participants, which accounts for the significant reduction in FY20 and FY21 participation numbers. MCE intends to rehire participants as soon as it is safe to do so. When MCE can safely resume normal operations, we anticipate participation to exceed 1,000 if staffing numbers allow.*



When you buy from MCE, you are not just buying a product, you are changing a life.

What are DPSCS and MCE doing to end the cycle of incarceration?

The Department of Public Safety and Correctional Services (DPSCS) does not determine who enters its custody; however, the employees are dedicated to finding innovative ways to help end the cycle of incarceration and reduce recidivism in the state of Maryland. As the **100% self-supporting** vocational arm of the Department, it is Maryland Correctional Enterprises' (MCE) goal and mission to **provide participants with the needed opportunities to help them succeed upon release** while contributing over **\$1.4 million** in participant compensation.

One of the top barriers men and women will face post-release is finding stable employment. MCE prepares men and women for their return home by providing them with hard and soft skill training to enhance their chance of finding post-release employment. Often times, men and women enroll in our programming with no previous skills or knowledge. From day one, **MCE programming focuses on enhancing the cognitive skills of our participants and affords them the opportunity to learn a trade.** More importantly, participants in our program learn the value of teamwork, conflict resolution, time management, adaptability, organization, and many other life skills to help them thrive in both their personal and professional lives. We promote learning for life principles by requiring a high school diploma or GED to participate in programming. As participants near release, they are also eligible to participate in our Continuing Allocation of Reentry Services (CARES) Program which provides additional classroom instruction on workforce development, cognitive behavior, parenting, and financial literacy.

MCE and DPSCS are **dedicated to reducing the occurrence of recidivism.** The majority of individuals who participate in our programming are eligible for diminution credits, **which can reduce sentences by four months per year for each year of successful programming.** **The annual cost to incarcerate an individual is over \$51,600.**

What are the Benefits of MCE?

Participation in the MCE training program is voluntary - in fact, men and women have to apply in order to join the MCE program. MCE provides the highest compensation rates within the Division of Correction - men and women in the program receive nontaxable allowances averaging about \$180 per month. Unless court mandated, participants receive no additional deductions and are able to use their allowance for commissary or to send funds to their families.

MCE is a 100% **self-funded** program within DPSCS - **it is not a profit making program or a separate business.** Any sustainable profit is used to improve the program, such as providing more modern equipment and computers. MCE accounts for a small percentage of Maryland's manufacturing industry and sales are statutorily restricted to government entities and non-profit groups. MCE does not fund DPSCS, nor does MCE receive any State appropriation.

Vocational training programs have been shown over and over again to improve reentry success. MCE partners with organizations that help us provide meaningful training and enhance the chances of finding gainful employment.

Why is MCE important?

Although MCE is responsible for producing a variety of products and services across the State, our most important goal is equipping and preparing those in our care with invaluable skills to add to their success as returning citizens. Studies across the nation continue to show that involvement in correctional industries programming has a positive impact on recidivism rates. By offering vocational training services to incarcerated individuals, we are able to improve work habits, attitudes, and skills for the purpose of improving success upon release from a correctional institution. **With 20% of civilian staff at our headquarters office starting their journey with us during their incarceration,** we live the mission that we promote every day.

FINANCIAL STATEMENTS

Maryland Correctional Enterprises Statements of Net Position

Statements of Net Position

As of June 30, 2020 and 2021

	(Unaudited) 2021	(Audited) 2020
ASSETS		
Current Assets:		
Cash	\$11,736,072	\$12,702,969
Accounts Receivable, net	16,741,120	12,251,050
Inventories	11,832,009	14,851,461
Other Assets	57,911	136,470
Total Current Assets	40,367,112	39,941,950
Capital Assets, Net of Accumulated Depreciation:		
Construction in Progress		
Equipment	5,812,196	6,220,508
Structures and Improvements	2,444,001	1,943,404
Total Capital Assets, Net	8,256,197	8,163,912
Total Assets	48,623,309	48,105,862
Deferred Outflows Related to Pensions	4,123,315	4,123,315
LIABILITIES AND NET POSITION		
Liabilities:		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$1,656,090	2,052,264
Accrued Vacation and Workers Compensation Costs, Net	991,185	866,360
Customer Deposits	37,643	10,329
Deferred Revenue	645,777	302,130
Total Current Liabilities	3,330,695	3,490,416
Noncurrent Liabilities:		
Net Pension Liability	15,248,392	15,248,392
Accrued Vacation and Workers Compensation Costs	503,200	762,451
Total Liabilities	19,082,287	19,242,008
Deferred Financing Inflows	1,575,974	1,594,949
Net Position:		
Invested in Capital Assets	8,256,197	8,163,912
Unrestricted	23,832,166	23,247,420
Total Net Position	\$32,088,363	\$31,411,332

FINANCIAL STATEMENTS (CONT'D)

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

	(Unaudited) 2021	(Audited) 2020
Operating Revenue:		
Sales and Services	\$50,176,058	\$55,772,210
Operating Expenses:		
Cost of Sales and Services	40,569,595	45,577,678
Selling, General, and Administrative Expenses	5,554,174	6,495,562
Other Selling, General, and Administrative Expenses	2,821,424	2,614,769
Depreciation	555,946	1,007,652
Total Operating Expenses	49,501,139	55,695,661
Operating Income	674,919	76,549
Nonoperating Revenue and Expenses:		
Miscellaneous Income	(2,475)	1,665
Gain (Loss) on Disposal of Assets	4,639	153
Nonoperating Expenses, Net	2,164	1,818
Income Before Transfers and contributed capital	677,083	78,367
Transfer to State of Maryland General Fund	-	-
Change in net Position	677,083	78,367
Net Position, Beginning	31,411,280	31,332,965
Net Position, Ending *	\$32,088,363	\$31,411,332

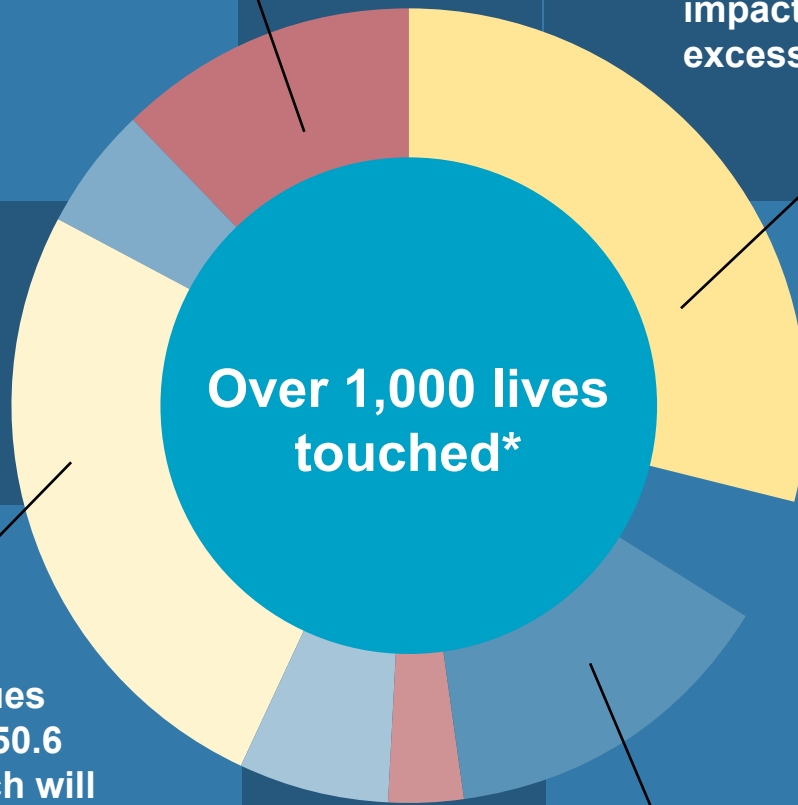
*Net Position is the difference between an entity's assets plus deferred outflows of resources and its liabilities plus deferred inflows of resources represents its net position. Net position has the following three components: net investment in capital assets; restricted net position; and unrestricted net position. This **does not** represent profit.*

CONCLUSION

Despite overwhelming obstacles faced in FY2021, MCE persevered and was able to achieve revenues in excess of the Business Plan Goal in order to sustain programming. 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 programming and maintaining institutional safety as a top priority. MCE continues to investigate national best practices to ensure we remain a top vocational training program. We are proud to do our part in creating a better, safer Maryland for all.

Participants earned over \$1.4 million while participating in programming

MCE had a positive impact on the economy in excess of \$54.1 million.



MCE revenues exceeded \$50.6 million which will be reinvested back into vocational and cognitive programming.

Over 1 million hours of training provided

**The MCE lives touched figure accounts for all participants who participated in programming throughout FY21*





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