

Performance Audit Update

Correctional Industries: Planning, pricing and market share

July 2, 2019

Executive Summary

“One of the ways the Washington State Department of Corrections (DOC) attempts to reduce the number of inmates returning to prison after release is through its Correctional Industries (CI) program. This program serves as an inmate work-training program that strives to teach inmates marketable job skills and promote a positive work ethic. In turn, inmates are able to meet financial obligations, increase job skills and increase the likelihood of meaningful employment upon release from incarceration. Studies have identified other benefits of the CI program, such as increase prison safety and cost savings. However, even with the many benefits of the program, CI has faced criticism in the media about the prices it charges state agencies for some of the products provided by its Class II industries. These industries are designed primarily to reduce the costs of goods and services for tax-supported agencies and for nonprofit organizations. Because of the concerns expressed by the media, our audit focused on Class II industries.”

The audit was designed to answer three questions:

How effective is CI in maintaining and expanding its inmate work training programs?

Does CI price products in such a way that meets its legal requirements and goals?

Does CI compete unfairly with Washington businesses?

	Recommendation Description	Due Date	Status
1.0	Use leading practices to establish a formal business planning policy for new and expanding industries	7/01/2018	100% complete
2.0	Develop a documented process to regularly assess the demand for the skills taught to inmates based on input from private industry and current labor market data	12/31/2017	20% complete. Constraint impacting Sub-task 2.1.1.
3.0	Improve existing efforts to obtain customer feedback on prices and products	9/30/2017	60% complete. Sub-task 3.2: Processes developed, tools need to be finalized.
4.0	Develop, track, and publish performance measures	7/01/2018	70% complete. Constraint impacting Sub-task 4.1.
5.0	Establish a formal agency-wide pricing policy and a timeframe for implementation	7/01/2018	80% complete. Constraint impacting Sub-task 5.4.