



ANNUAL REPORT

washingtonci.com

MISSION VISION CORE VALUES



Mission Statement:

Correctional Industries is committed to maintain and expand work training programs which develop marketable job skills, instill and promote positive work ethics, and reduce the tax burden of corrections.

Vision Statement:

Transform lives and increase successful reentry through training and mentoring.

Our Core Values:

LEAD — We walk the talk to motivate change.

HUMANITY — We provide opportunity for second chances.

CONNECTIONS — We foster understanding and mentor growth.

TEAMWORK — We build unity and strength through collaboration.

PEOPLE — We inspire and empower individual success.

DFAR **COLLEAGUES** AND FRIENDS,



As you'll see in this report, fiscal year 2023 was a year of growth for Correctional Industries and we are excited to share this year's data. The performance of our organization is a result of strategic decisions to streamline several operations such as the closure of the print and sign shops at Monroe Correctional Complex (MCC) and the discontinuation of the small sock operation within the laundry at MCC. Our operations Managers also saw a stabilization of the raw material supply chains. Our furniture division experienced an increased level of sales due to the Office of Financial Managements extension of FY 22 year-end orders and ongoing development of partnerships with our customer base.

Correctional Industries ended fiscal year 2023 with total sales revenue of \$133M, which was an increase of \$34.6M over fiscal year 2022. The ability to cover our expenses allows our organization to invest in updated equipment and infrastructure to ensure we are supporting the hard skill development to prepare our incarcerated population for reentry.

Our Workforce Development team became fully staffed and integrated with the Reentry Division as a whole. We are focused on providing people with focused opportunities for success. We are proud that the Correctional Industries Navigators have resumed many pre-COVID initiatives and soft skill classes for the incarcerated population we serve.

Lastly, we are proud to have had the opportunity to highlight the incredible work of our staff and incarcerated workforce on a national scale by hosting the National Correctional Industries conference in April of 2023. We were able to highlight Washington Cl's commitment to leading change and creating sustainable programs that support the development of the incarcerated population we serve. We look forward to ongoing continuous improvement and development.

To another great year,

Danielle Armbruster

Assistant Secretary, Reentry Division danielle.armbruster@doc.wa.gov

ranielle ambruster

Jamie Dolan

Director, Correctional Industries jamie.dolan@doc.wa.gov





Fiscal Year 2023: A Metamorphosis

If the last few years presented a period of uncertainty and extreme challenges which then had everyone in a cocoon of sorts, then fiscal year 2023 (FY23) for Correctional Industries (CI) can be seen as the chrysalis stage. As described in a butterfly's life cycle, this is where it may look like nothing is going on (on the outside), but there are big changes happening inside. This stage is marked by growth and formulation. For CI, FY23 was a chance to start this growth and formulation. Whether from new beginnings, or from making moves to stabilize and grow industry business, or from revisiting and reviving previous or missing projects and initiatives, it had led to a busy and productive year. Movement was made, organizationally, structurally, operationally, and even most notably, fiscally, as the year closed out.

Heading into FY23, with changes in place for a newly established CI leadership, things were happening again after a long pause. This included planning and preparing for large undertakings such as hosting the NCIA (National Correctional Industries Association) conference; having executive leadership taking the time to visit every one of CI's facilities through initializing and embarking on a statewide Reentry Roadshow; growing the Workforce Development and sales teams; and even shaping the plan to bring back the annual golf tournament CI hosts to support charities through the Washington State Combined Fund Drive.

There were also operations wins like AHCC (Airway Heights Corrections Center) and MCC (Monroe Correctional Center) commissaries reporting 98% inventory efficiency (raw materials — electronic record vs. physical count); McNeil Island Stewardship (MIS) gaining a new well pump and treatment building; and closing the year dramatically with a whopping \$26 M in sales for furniture, more than doubling its sales from FY22.

While this year of movement had its own unique growing pains with challenges for the service and delivery teams for instance, there was enough momentum to set CI up to not only experience more growth, but to possibly emerge from the cocoon (of furious inner activity), and start spreading its wings into the new fiscal year.



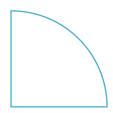


INVENTORY EFFICIENCY
FOR AHCC & MCC
COMMISSARIES
HIGHER RATE THAN MOST
PRIVATE INDUSTRIES



GALLONS OF WATER
PUMPED
NEW MIS WELL PUMP &
TREATMENT BUILDING
(NOV. 2022 - JUNE 2023)

OUR LEADERSHIP TEAM



Jamie Dolan was appointed the director of Correctional Industries (CI) on January 1, 2023. Jamie joined the Department of Corrections in 2014 as an assistant food service administrator before promoting to food services administrator in 2017. She became the CI assistant director of food operations in 2018 and was named the deputy director in 2022. Jamie has a bachelor's degree in culinary arts and hospitality management from the Culinary Institute of America and a master's degree in organizational leadership from Gonzaga University.

Todd Cunnington transitioned into the role of deputy director, providing operational oversight of Cl's accounting team. Todd started his career with Cl as a customer service specialist in 2005 and then moved to positions of business manager and then general manager at the Washington State Penitentiary. Since 2019, Todd has been an assistant director with operational oversight of three Cl facilities and five industry programs operating at all 12 correctional sites throughout Washington. Todd has a bachelor's degree in business administration / finance from Washington State University.

Vicki Hoffman accepted the position of assistant director with oversight of Eastern Washington facilities, optical, and the modernization of business technology in CI's business led transition project. Vicki began her career in corrections in 2005 and has worked in various positions, including customer service specialist and warehouse manager. Most recently, she served as general manager for Airway Heights Correction Center. Vicki served four years in the United States Navy.

Lindsey Konrad accepted the role of assistant director of operations. She oversees operations at Monroe Corrections Center, brand and marketing, commissary programs, IT, and organizational change management. Lindsey began her CI career in 2003 as receptionist. During the COVID-19 pandemic, Lindsey was an integral part of the emergency operations center, serving in three different roles in the Joint Information Center (JIC) as a member, JIC deputy manager, and JIC manager. Lindsey has a bachelor's degree in business administration from Western Washington University.

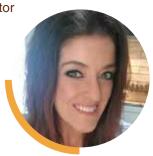
Ryan Sadler accepted the role of assistant director in November of 2021 with oversight of operations at CI headquarters, Stafford Creek Corrections Center (SCCC), Washington Corrections Center (WCC), Washington Corrections Center for Women, Mission Creek Correction Center for Women, and the McNeil Island Stewardship. Ryan began state service in 2000, working within juvenile facilities supporting and managing residential treatment programs for incarcerated youth. In 2016, Ryan joined CI as general manager at SCCC and served as general manager at WCC and CI headquarters' Service and Delivery Division. Ryan has a liberal arts bachelor's degree from The Evergreen State College with an emphasis in psychology and counseling.



Jamie Dolan
Director



Todd Cunnington
Deputy Director



Vicki Hoffman Assistant Director



Lindsey Konrad
Assistant Director



Ryan Sadler
Assistant Director



NCIA 2023 NATIONAL TRAINING CONFERENCE

May 25, 2023 By Jamie Dolan, Director

April 2023 kicked off the 2023 National Correctional Industries Association Training Conference in Bellevue, Washington focusing on Shaping the Reentry Landscape. The opening ceremonies was a celebratory atmosphere with the Seattle Seahawks drumline, Blue Thunder leading all attendees into the exhibit hall. As a host state, it was an honor to support the efforts of bringing together key leaders from Correctional Industries to explore how operations can facilitate engaging and valuable programs that support the incarcerated population we serve. Attendees engaged in sessions encouraging them to get actively involved in shaping the reentry landscape. Among the numerous sessions, workshops, and visits in the exhibit hall was the opportunity to actively partner with a variety of vendors learning about products, best practices, and innovative new technologies.

For me personally, the highlight of the conference was the previously incarcerated panel. This highly attended event (over 100 correctional professionals) was a reminder as to the exact reason our operations exist. The panelist's willingness to share their personal journeys of lived experience and overall vulnerability highlighted many positive aspects of Correctional Industries (CI) programs, but it also provided insight into the gaps that exist. The correctional professionals in attendance had engaging questions on ways they can improve their own programs. This session was a reminder that the individuals we serve are the heart of everything we do.

Much of the focus of the conference was on the challenges and opportunities of correctional industries operations and innovative ways we can continue to improve. The overall engagement with vendors was time well spent discussing new products and ways to enhance current offerings.

Hosting the conference provided Washington State the opportunity to involve many staff from a variety of divisions, operations, and facilities who all contributed to the overall effort of planning and executing the event. It was an incredible opportunity to invite approximately sixty (60) Washington CI staff to attend and volunteer throughout the conference. Staff

came back energized and excited about the work they do. The resounding highlight was the ability to cross collaborate with their peers from across the country. It allowed the opportunity to not only recognize where we are as a program, but where we want to go. The networking provided a roadmap into potential new opportunities and ways to improve our current programs for the overall benefit of the incarcerated population. Spending individual time with vendors and other correctional peers always reminds me of why conferences are so important and how dearly they were missed during the pandemic.

The conference concluded with a tour of one of Washington State Department of Correction's facilities, the Monroe Correctional Complex. This historic facility featured the correctional industries programs to include bulk sales, food package program, laundry, the monthly property program as well as the state's largest commissary which serves the incarcerated population from eight (8) facilities in Western Washington. The staff leading the tours spoke with confidence and pride while sharing insights into their operations. The participants were very engaged and asked detailed operational questions on best practices.

Lastly, I want to take the opportunity to thank the National Correctional Industries Staff for their support and engagement with being a host state in addition to the many contributions of other CI operations who contributed to the success of the event. Thank you to the participants for making it a productive and enjoyable conference. I hope all found it to be time well spent.





REENTRY ASSISTANT SECRETARY WINS PRESTIGIOUS AWARD

Danielle Armbruster with NCIA President Bobby Lumpkin.

May 17, 2023

By Lukas D'Ambrosio, DOC Communications Office

The Washington State Department of Corrections' very own Danielle Armbruster won the prestigious Rodli Award at this year's National Correctional Industries Association (NCIA) conference in Bellevue, Washington.

Armbruster, who serves as the Assistant Secretary of Reentry, was recognized for her outstanding contributions to the field of corrections and her leadership in implementing innovative programs to support successful reentry.

"I think I have the best job in the world, and I'm honored to represent Washington State DOC and NCIA," Armbruster said. "I believe in the work we do and our shared mission. I believe in giving people a second chance and instilling hope in the individuals we serve and creating pathways for their future beyond incarceration to be successful."

Each year, the NCIA hosts a national conference where members and corporate sponsors from all over the country can come together to share ideas and workshop best practices for incarcerated individuals. The NCIA's mission is to promote excellence in correctional industries through professional development and innovative solutions shared between members.

"It was an honor for Washington state to host the 2023 NCIA conference," said Reentry Project Manager, Kelsey Eagan. "Over a year of planning went into this event and it was great to see all the hard work come to fruition."

In accepting the Rodli Award, Armbruster expressed her gratitude and credited her colleagues and partners for their contributions to the success of her programs. She highlighted the importance of collaboration and urged the correctional community to continue working together to advance the field of reentry.

"It's not just about giving people a second chance; It's about giving them a fair one," Armbruster said in her acceptance speech.

During her tenure, Armbruster has been a driving force in improving the reentry process for incarcerated individuals, focusing on evidence-based practices that reduce recidivism and increase public safety. She has also been a strong advocate for the role of correctional industries in preparing incarcerated individuals for successful reentry.

The Rodli Award is given annually to recognize individuals who have demonstrated outstanding leadership and made significant contributions to the field of correctional industries through developing and implementing programs that provide education, training, and job opportunities to incarcerated individuals, with the ultimate goal of reducing recidivism and promoting successful reentry into society.

"The best ending to an already great week was Danielle winning the Rodli award with her family and colleagues surrounding her," Eagan said.



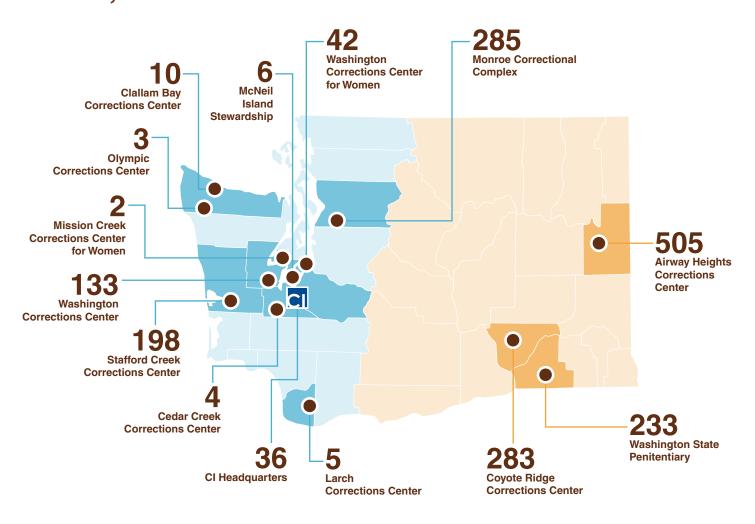
Correctional Industries provided customized furniture in various colors, textures, and fabrics. The high-quality furniture exceeded our expectations, and importantly, everything was delivered and installed on time.

 Celina Verme, Budget and Government Operations Officer, Washington State Investment Board



JUST THE FACTS

1,745 Total number of incarcerated individuals working for Class II industries as of June 30, 2023.



\$1,078,034

Approximate amount incarcerated individuals contributed to meet financial obligations such as court ordered fines, child support and victim restitution from CI earnings. Many also send a portion of their pay home toward family support.

Total amount deposited into incarcerated individuals' savings accounts from CI earnings.

\$296,394

\$34.8M

Total amount CI contributed to the Washington State economy through purchases from local suppliers and staff salaries.

BREAKDOWN BY SITE/INDUSTRY

Western Washington

Eastern Washington

Cedar Creek Corrections Center

LITTLEROCK, WA

• Laundry - 4

Clallam Bay Corrections Center CLALLAM BAY, WA

• Laundry - 10

CI Headquarters

TUMWATER, WA

- Furniture Installation and Warranty 11
- Textiles Distribution Center 11
- Transportation 14

Larch Corrections Center

YACOLT, WA

• Laundry - 5

McNeil Island Stewardship

STEILACOOM, WA

- Grounds and Maintenance 3
- Marine 1
- Vehicle Maintenance 2
- Waste Water/Water Distribution 0

Mission Creek Corrections Center for Women

BELFAIR, WA

• Trades Related Apprenticeship Coaching (TRAC) - 2

Olympic Corrections Center

FORKS, WA

• Laundry - 3

Stafford Creek Corrections Center

ABERDEEN, WA

- Furniture Factory 150
- Laundry 17
- Site Services 31

Washington Corrections Center

SHELTON, WA

- Food Service 65
- Laundry 24
- · Reception Clothing Distribution - 44

Washington Corrections Center for Women

GIG HARBOR, WA

- Braille Services 18
- CAD Services 7
- Reception Clothing Distribution 0
- Site Services 0
- Textiles 16
- TRAC 1

Monroe Correctional Complex

MONROE, WA

- Commissary 45
- Package Programs 34
- Food Service 170
- Laundry 22
- License Tabs 8
- Site Services 6

Airway Heights Corrections Center

AIRWAY HEIGHTS, WA

- Commissary 57
- Food Distribution 27
- Food Factory 142
- Food Service 131
- Laundry 19
- Optical 63
- Site Services 10
- Textiles 56
- Transportation 0

Coyote Ridge Corrections Center

CONNELL, WA

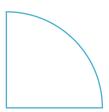
- Food Service 164
- Laundry 18
- Mattresses 16
- Site Services 7
- Textiles 78

Washington State Penitentiary

WALLA WALLA. WA

- Food Service 167
- Laundry 19
- License Plates 30
- Metal Fabrication 32
- Site Services 0
- Transportation 17

STATEMENT OF ASSETS

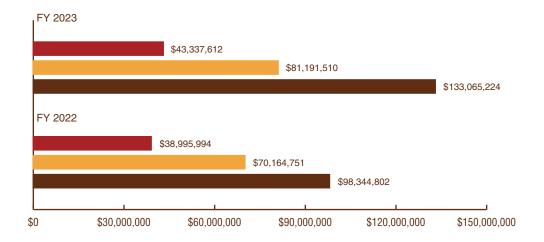


	FY 2022	FY 2023
CURRENT ASSETS		
Cash	\$4,871,150	 \$1,015,911
Petty Cash	\$ <u>5,000</u>	 \$ <u>5,000</u>
Total Cash	\$4,876,150	 \$1,020,911
Receivables		
Accounts Receivable Net	\$720,467	 \$583,257
Due From Federal Government	\$13,519	 \$19,003
Due From Other Governments	\$857,213	 \$1,128,591
Due From Other Funds	\$9,946,981	 \$5,691,156
Due From Other Agencies	\$5,625,153	 \$14,541,550
Internal Receivables	\$3,528	 \$3,528
Travel Advance	\$0	 \$0
In-Process Accounts	\$ <u>324,865</u>	 \$1,370,617
Total Receivables	\$17,491,726	 \$23,337,702
INVENTORIES		
Finished Goods Inventories	\$4,370,708	 \$5,337,474
Demo-Showroom and Warranty Finished Goods	\$128,707	 \$126,532
Work-In-Process Inventories	\$536,667	 \$689,669
Raw Materials Inventories	\$ <u>7,086,642</u>	 \$ <u>7,319,391</u>
Total Inventories	\$12,122,724	 \$13,346,534
Prepaid Expenses	\$ <u>193,303</u>	 \$ <u>94,670</u>
Total Current Assets	\$34,683,903	 \$37,799,816
NONCURRENT ASSETS		
Deferred Outflow on COPs Refi	\$44,601	 \$26,760
Improvements other than buildings	\$5,058,031	 \$5,057,977
Allowance for Depreciation Improvements Other	(\$1,930,903)	 (\$2,138,265)
Land	\$1,539,796	 \$1,539,796
Building	\$12,828,239	 \$12,828,239
Allowance for Depreciation Buildings	(\$1,613,837)	 (\$1,728,797)
Furnishings and Equipment	\$18,699,949	 \$18,082,097
Allowance for Depreciation Furnishings and Equipment	(\$13,473,268)	 (\$12,915,605)
Total Noncurrent Assets	\$21,152,608	 \$20,752,202
TOTAL ASSETS	<u>\$55,836,511</u>	 <u>\$58,552,018</u>

STATEMENT OF LIABILITIES AND NET ASSETS



	FY 2022	FY 2023
CURRENT LIABILITIES		
Accounts Payable	\$7,460,140	 \$11,602,674
Accrued Salaries and Fringe Benefits	\$1,395,275	 \$1,623,625
Due to Other Funds	\$264,441	 \$853,141
Due to Other Agencies	\$300,206	 \$249,205
Due to Department of Revenue	\$451,083	 \$1,444,255
Current Lease Purchase Agreements Payable	\$535,000	 \$0
Liability for Canceled Warrants	\$28,608	 \$37,236
Deferred Revenues	\$ <u>3,810,804</u>	 \$ <u>0</u>
Total Current Liabilities	\$14,245,555	 \$15,810,136
NONCURRENT LIABILITIES		
Accrued Annual Leave Payable	\$1,848,170	 \$1,909,150
Accrued Sick Leave Payable	\$620,480	 \$567,736
Accrued Compensatory Time Payable	\$135,183	 \$135,183
Cops Notes Payable	\$1,155,000	 \$1,155,000
Unamortized Premiums Cops Sold	\$ <u>378,813</u>	 \$ <u>227,288</u>
Total Noncurrent Liabilities	\$4,137,645	 \$3,994,357
NET ASSETS		
Current Period Profit (Loss)	\$(7,251,956)	 \$1,141,830
Retained Earnings	\$ <u>44,705,267</u>	 \$ <u>37,605,695</u>
Total Net Assets	\$37,453,310	 \$38,747,525
TOTAL LIABILITIES AND NET ASSETS	<u>\$55,836,511</u>	 <u>\$58,552,018</u>



Operating Expenses

Cost of Goods Sold

Operating Revenues

Two Year Financial Comparison Fiscal year 2023 revenue and cost of goods sold increased by 35% and 16%, respectively from fiscal year 2022. There was a 7% increase in operating expenses attributable to increases in personnel expenses as well as contract services, equipment maintenance, and fuel costs.

CASH FLOW STATEMENT



FISCAL YEAR BEGINNING CASH	FY 2022 \$8,154,923	 FY 2023 \$4,876,150
Net Income from Operations	\$(8,184,706)	 \$1,166,634
Add Back Non-Cash Expenses:		
Interest Expenses	(\$112,277)	 (\$288)
Non-Operating Revenue	\$1,151,800	 (\$24,516)
COI Depreciation Expense	(\$99,675)	 \$0
COI Small Equipment Expense	\$0	 \$0
Obsolete Inventory	(\$6,182)	 \$0
Miscellaneous Revenue	\$0	 \$0
Prior Year Adjustment	<u>(\$917)</u>	 <u>\$0</u>
Current Period Profit (Loss)	\$7,251,956	 \$1,141,830
Add Back Non-Cash Expenses:		
Year to Date Depreciation	<u>\$717,609</u>	 <u>\$445,695</u>
Total Non Cash Expenses	\$717,609	 \$445,695
CHANGES IN BALANCE SHEET ACCOUNTS Sources (Uses) of Cash:		
Accounts Receivable	(\$732,058)	(\$5,721,660)
Notes Receivable Short Term	\$0	\$0
Notes Receivable Long Term	\$0	 \$0
Prepaid Maintenance Agreements	\$159,142	\$98,633
Inventories	(\$2,512,060)	 (\$1,071,424)
Accounts Payable	\$6,380,839	\$1,421,292
Total Changes in Balance Sheet Accounts	(\$3,295,863)	 (\$5,273,159)
S	***************************************	
Net Cash Flow from Operating Activities	(\$3,238,484)	 (\$3,685,635)
Changes to Fixed and Long Term Assets		
Net Cash Flow from Investing Activities	<u>(\$40,289)</u>	 (\$45,289)
Net Increase (Decrease) in Cash	(\$3,278,772)	 (\$3,730,924)
Program Administrative Costs	\$0	 \$0
Changes in Equity Account	\$ <u>0</u>	 <u>\$0</u>
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$4,876,150</u>	 <u>\$1,145,226</u>

STAFF RECOGNITION AWARDS



An awards celebration was held on January 11, 2023 at Correctional Industries headquarters to honor the annual award recipients.

The Commitment to Quality Award is presented to an employee who demonstrates a commitment to continuous quality improvement. Wes fosters strong working relationships with all individuals. He implements strong customer service principles daily and in challenging moments, he remains professional and kind. He will do anything it takes to support his team and the incarcerated population we serve.

The Louie Sarot Customer Service Award is presented to an employee who exhibits consistent excellence in customer service. Matt understands that his customer base is very broad, with different needs and at different levels. With his wide-spread understanding of commissary operations, he is the go-to person that will help resolve any issue.

The Rising Star Award is presented to an employee who exhibits leadership, initiative, diligence, teamwork and innovation, and who possesses the qualities to become a future leader in CI. Aaron is the true definition of a dedicated employee. He rose to the challenges uncovered during large organizational changes. He is never afraid to speak up when he has concerns and he is always willing to work collaboratively to identify solutions.

The Teamwork/Team of the Year Award is presented to employees that show progress in meeting CI objectives. Using effective problem solving, communication, and out of the box thinking, Joy and Rena played a huge role in keeping the incarcerated population at an even keel throughout the COVID-19 pandemic and the role out of the new Securus tablets, all while keeping smiles and great attitudes.



Wes Marcum

Commitment to Quality Award



Matthew Blair
Louie Sarot Customer Service Award



Aaron Phelps *Rising Star Award*



Joy Estep Rena Hillard

Teamwork / Team of the Year Award





LEADERSHIP

Director

Jamie Dolan

Deputy Director Todd Cunnington

· ·

Assistant Director

Vicki Hoffman

Assistant Director

Lindsey Konrad

Assistant Director

Ryan Sadler

ADVISORY COMMITTEE

Business Representatives

Chris Elwell, Sound Transit Jim Huffman, District 1 Commissioner, Port of Douglas County Terri Fortner, Spokane Parks Foundation

Labor Representatives

Karen Dove, Apprenticeship & Nontraditional Employment for Women (ANEW) Marianna Talbott, Northwest Carpenters Institute Vacant

Public Representatives

Suzanne Gordon Loren Taylor Vacant

Legislative Appointed Representatives

Senator Claire Wilson, 30th Legislative District Senator Matt Boehnke, 8th Legislative District Representative Dan Griffey, 35th Legislative District Representative Tarra Simmons, 23rd Legislative District

FY2023 ANNUAL REPORT

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Washington State Investment Board

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