

# A bright future



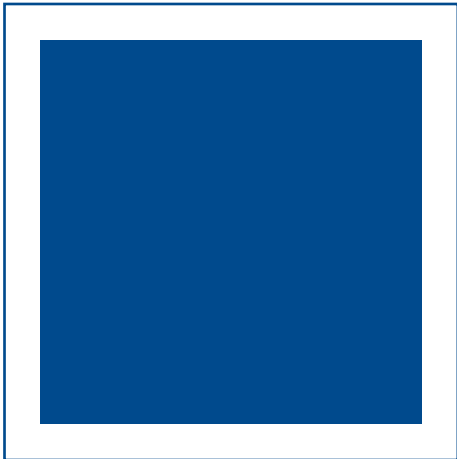
2019  
Annual Report



WASHINGTON STATE  
CORRECTIONAL INDUSTRIES



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**We look forward  
to serving you  
with quality  
products and  
services as  
we provide  
opportunity and  
create safer  
communities.**

## A message from our leadership



Improving public safety by positively changing lives is the mission that the Department of Corrections strives to fulfill each day. Correctional Industries' vision is to transform lives and increase successful reentry through training and mentoring. The Reentry Division's purpose statement of providing targeted opportunities and pathways of supporting successful integration into our communities also creates the pathway of the Department's mission.

We are proud of the continued work that Correctional Industries does to promote the Reentry Division and to change lives. From the time an incarcerated individual enters our program they are a priority. Developing marketable job skills, to include soft skills and technical skills, and promoting positive work ethics is our focus. Whether our individuals are in a classroom, on the shop floor or in the community – CI's holistic approach to successful reentry is improving public safety and changing lives.

Correctional Industries ended the fiscal year (FY) 2019 with total sales of \$113,258,559; this was an increase of over five percent (5%) from the last fiscal year. This continues to help us reinvest our programs and the infrastructure of CI.

Supporting successful reentry continues to be our priority. This cannot be done without our DOC partners and community stakeholders. Together we can foster an environment of change and we can make a difference.

**Danielle Armbruster**  
*Assistant Secretary - Reentry Division*

**Sarah Sytsma**  
*Director*

A close-up photograph of a welder in profile, wearing a dark protective mask and a tan cap. The welder is focused on their work, with bright sparks visible from the welding process. The background is a blurred industrial setting with yellow walls.

# 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.*



# Financial highlights

## Statement of assets

Fiscal Year  
2018

Fiscal Year  
2019

### CURRENT ASSETS

Cash .....	\$2,927,176	.....	\$1,396,120
Petty Cash .....	5,000	.....	5,000
<b>Total Cash</b> .....	<b>\$2,932,176</b>	.....	<b>\$1,401,120</b>

### Receivables

Accounts Receivable Net .....	881,679	.....	563,279
Notes Receivable Short Term .....	0	.....	0
Due From Federal Government .....	32,669	.....	64,518
Due From Other Governments .....	411,224	.....	412,128
Due From Other Funds .....	3,011,341	.....	7,418,097
Due From Other Agencies .....	4,721,278	.....	10,793,669
Internal Receivables .....	0	.....	0
Due From Component Units .....	0	.....	0
Travel Advance.....	0	.....	0
In-Process Accounts .....	466,476	.....	905,915
<b>Total Receivables</b> .....	<b>\$9,524,666</b>	.....	<b>\$20,157,606</b>

### INVENTORIES

Finished Goods Inventories.....	3,302,868	.....	2,658,825
Demo-Showroom and Warranty Finished Goods.....	249,299	.....	261,292
Work-In-Process Inventories .....	341,430	.....	412,780
Raw Materials Inventories .....	4,650,699	.....	6,045,035
<b>Total Inventories</b> .....	<b>\$8,544,296</b>	.....	<b>\$9,377,933</b>

Prepaid Expenses.....	153,104	.....	264,423
<b>Total Current Assets</b> .....	<b>\$21,154,243</b>	.....	<b>\$31,201,082</b>

### NONCURRENT ASSETS

Deferred Outflow on COPs Refi.....	71,361	.....	62,441
Improvements other than buildings.....	5,054,006	.....	5,058,031
Allowance for Depreciation Improvements Other.....	(1,048,012)	.....	(1,275,042)
Land.....	1,539,796	.....	1,539,796
Building.....	12,828,239	.....	12,828,239
Allowance for Depreciation Buildings.....	(1,168,731)	.....	(1,283,852)
Furnishings and Equipment.....	21,647,812	.....	21,083,895
Construction in Progress.....	0	.....	0
Allowance for Depreciation Furnishings and Equipment .....	(12,360,783)	.....	(12,599,355)
<b>Total Noncurrent Assets</b> .....	<b>\$26,563,687</b>	.....	<b>\$25,414,153</b>

<b>TOTAL ASSETS</b> .....	<b>\$47,717,930</b>	.....	<b>\$56,615,236</b>
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Statement of liabilities and net assets

Fiscal Year  
2018

Fiscal Year  
2019

**CURRENT LIABILITIES**

Accounts Payable.....	\$2,960,118	.....	\$8,803,415
Accrued Salaries and Fringe Benefits .....	1,557,338	.....	1,321,159
Due to Other Funds .....	278,622	.....	212,218
Due to Other Agencies .....	430,046	.....	540,445
Due to Department of Revenue.....	628,641	.....	1,132,864
Current Lease Purchase Agreements Payable.....	435,000	.....	460,000
Liability for Canceled Warrants.....	16,256	.....	16,256
Deferred Revenues.....	<u>643</u>	.....	<u>300</u>
<b>Total Current Liabilities .....</b>	<b>\$6,727,871</b>	<b>.....</b>	<b>\$12,486,659</b>

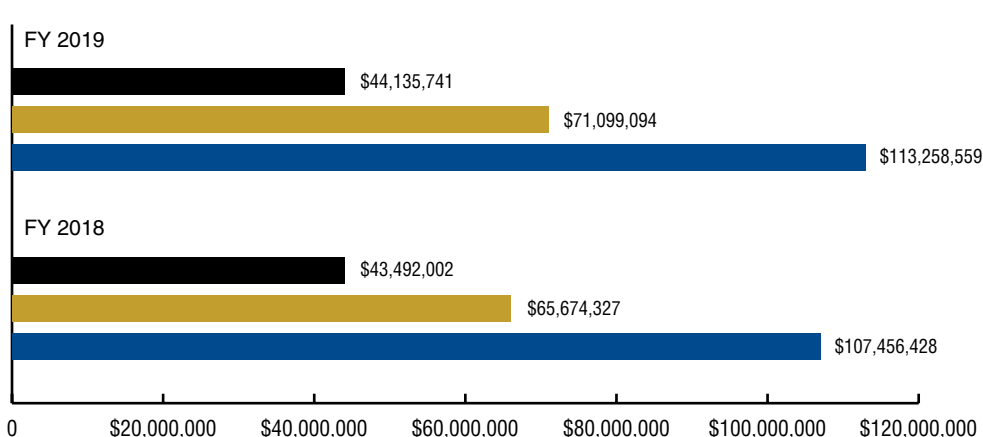
**NONCURRENT LIABILITIES**

Accrued Annual Leave Payable .....	1,789,240	.....	1,892,213
Accrued Sick Leave Payable .....	717,517	.....	738,549
Cops Notes Payable .....	3,155,000	.....	2,695,000
Unamortized Premiums Cops Sold .....	<u>606,101</u>	.....	<u>530,338</u>
<b>Total Noncurrent Liabilities .....</b>	<b>\$6,267,857</b>	<b>.....</b>	<b>\$5,856,100</b>

**NET ASSETS**

Current Period Profit (Loss).....	(1,444,082)	.....	3,602,169
Program Costs .....	0	.....	0
Retained Earnings.....	<u>36,166,283</u>	.....	<u>34,670,308</u>
<b>Total Net Assets .....</b>	<b>\$37,275,598</b>	<b>.....</b>	<b>\$38,272,477</b>

**TOTAL LIABILITIES AND NET ASSETS.....** **\$47,717,930** ..... **\$56,615,236**



- Operating Expenses
- Cost of Goods Sold
- Revenues

**Two Year Financial Comparison**

Fiscal year 2019 revenue and cost of goods sold, increased more than five and seven percent (5.4% and 7.8%) respectively from fiscal year 2018. There was a 1.5 percent (1.5%) increase in operating expenses in fiscal year 2019, which is primarily attributable to an increase in staff salaries and benefits.

# Financial highlights

## Cash flow statement

fiscal year  
2018

fiscal year  
2019

<b>FISCAL YEAR BEGINNING CASH</b> .....	<b>\$3,128,712</b> .....	<b>\$2,932,176</b>
Net Income from Operations .....	(\$1,642,993) .....	\$3,173,938
ADD: Interest Expenses .....	(\$200,250) .....	(\$179,500)
Non-Operating Revenue.....	948,022 .....	1,096,167
COI Depreciation Expense.....	(114,960) .....	(114,960)
COI Small Equipment Expense.....	0 .....	0
Obsolete Inventory.....	(588,156) .....	(54,197)
Miscellaneous Revenue .....	1,783 .....	757
Prior Year Adjustment.....	<u>152,472</u> .....	<u>(320,037)</u>
Current Period Profit (Loss).....	(\$1,444,082) .....	\$3,602,169
Add Back Non-Cash Expenses:		
Year to Date Depreciation .....	\$1,759,824 .....	\$1,579,909
<b>Total Non Cash Expenses</b> .....	<b>\$1,759,824</b> .....	<b>\$1,579,909</b>
<b>CHANGES IN BALANCE SHEET ACCOUNTS</b>		
Sources (Uses) of Cash:		
Accounts Receivable .....	\$7,685,929 .....	(\$10,632,940)
Notes Receivable Short Term .....	0 .....	0
Notes Receivable Long Term.....	0 .....	0
Prepaid Maintenance Agreements .....	(22,250) .....	(111,319)
Inventories .....	(1,254,521) .....	(833,636)
Accounts Payable.....	<u>(5,448,086)</u> .....	<u>5,295,136</u>
<b>Total Changes in Balance Sheet Accounts</b> .....	<b>\$961,071</b> .....	<b>(\$6,282,759)</b>
<b>Net Cash Flow from Operating Activities</b> .....	<b>\$1,276,813</b> .....	<b>(\$1,100,681)</b>
Changes to Fixed and Long Term Assets		
<b>Net Cash Flow from Investing Activities</b> .....	<b>(\$364,035)</b> .....	<b>(\$430,735)</b>
<b>Net Increase (Decrease) in Cash</b> .....	<b>\$912,778</b> .....	<b>(\$1,531,056)</b>
Program Administrative Costs .....	0 .....	0
<b>Changes in Equity Account</b> .....	<b>0</b> .....	<b>0</b>
<b>CASH AND EQUIVALENTS AT END OF PERIOD</b> .....	<b><u>\$4,041,491</u></b> .....	<b><u>\$1,401,120</u></b>

**\$1.932 MIL**

*Approximate amount incarcerated individuals contribute yearly from CI earnings to meet financial obligations*

**794**

*Number of workforce development training certificates awarded to incarcerated individuals*

**\$53.5 MIL**

*CI contributions to the Washington State economy through purchases from local suppliers and staff salaries*

**96**

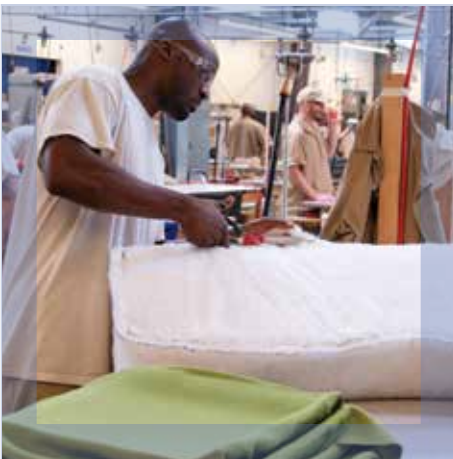
*Number of represented Standard Occupational Classifications for active CI incarcerated workers*

**3,709,520**

*Number of programming hours worked by active CI incarcerated workers*

**\$899,833**

*Amount CI committed to the workforce development program*



**2,728**

*Number of online orders placed on CI's website totaling \$3,117,098 in sales*

**35**

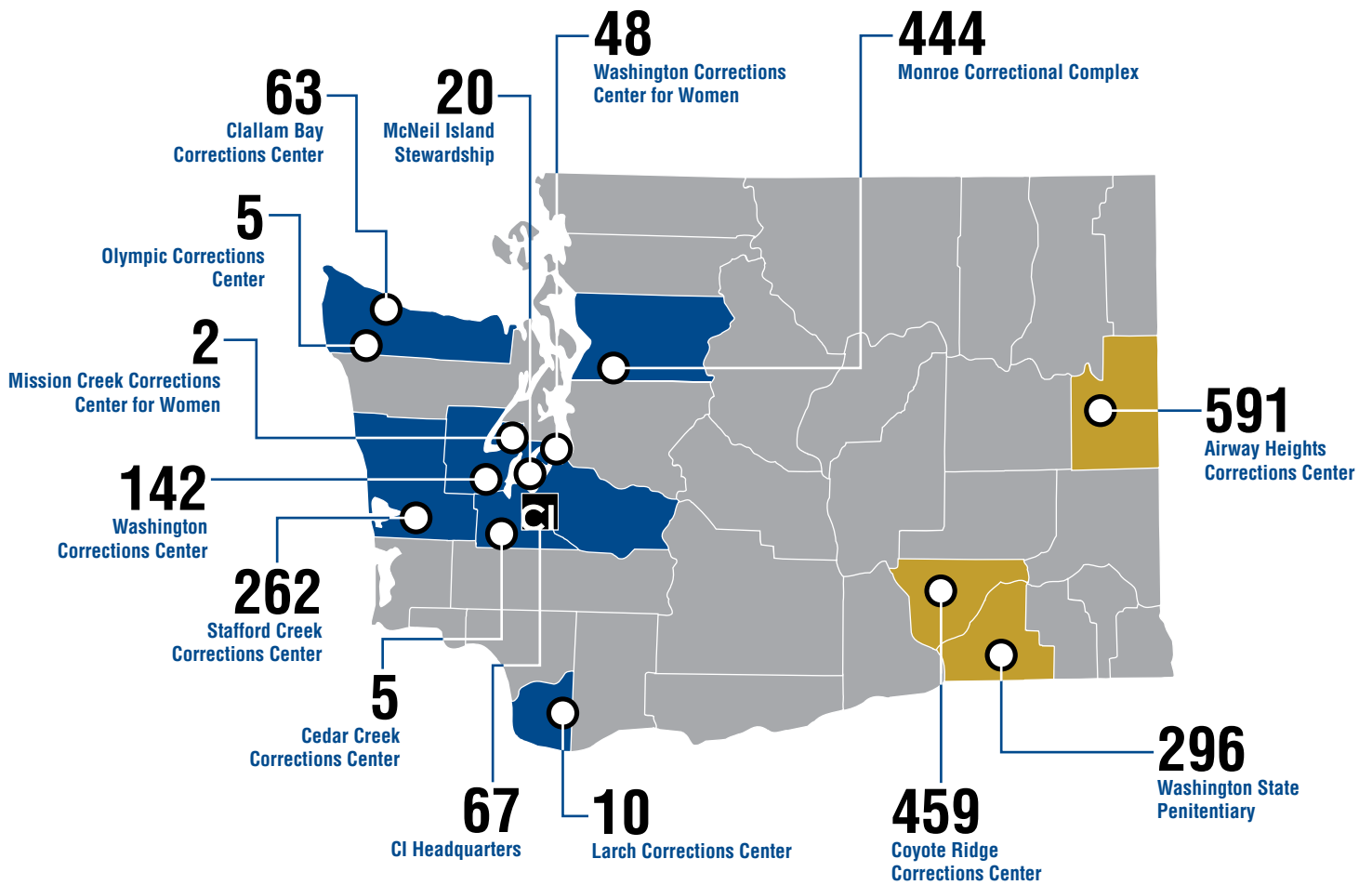
*Number of incarcerated women who graduated from the Trades Related Apprenticeship Coaching program*

**Just the facts**

# Correctional Industries locations

2,414

Total number of incarcerated individuals working for Class II industries as of June 30, 2019



Total number of incarcerated individuals returned to Washington State counties in FY2019

7,792

## Western Washington

### Breakdown by site / industry

## Eastern Washington

#### **Cedar Creek Corrections Center**

LITTLEROCK - 5

- Laundry - 5

#### **Clallam Bay Corrections Center**

CLALLAM BAY - 63

- Laundry - 7
- Site Services - 4
- Textiles - 52

#### **Correctional Industries Headquarters**

TUMWATER - 67

- Furniture Installation & Warranty - 34
- Textiles Distribution Center - 16
- Transportation - 17

#### **Larch Corrections Center**

YACOLT - 10

- Laundry - 10

#### **McNeil Island Stewardship**

STEILACOOM - 20

- Grounds and Maintenance - 6
- Marine - 10
- Vehicle Maintenance - 3
- Waste Water/Water Distribution - 1

#### **Mission Creek Corrections Center for Women**

BELFAIR - 2

- Trades Related Apprenticeship Coaching (TRAC) - 2

#### **Olympic Corrections Center**

FORKS - 5

- Laundry - 5

#### **Stafford Creek Corrections Center**

ABERDEEN - 262

- Furniture Factory - 188
- Laundry - 18
- Site Services - 56

#### **Washington Corrections Center**

SHELTON - 142

- Food Service - 90
- Laundry - 26
- Reception Clothing Distribution - 26

#### **Washington Corrections Center for Women**

GIG HARBOR - 48

- Braille Services - 20
- Computer Aided Design Services - 6
- Reception Clothing Distribution - 1
- Site Services - 2
- Textiles - 18
- TRAC - 1

#### **Monroe Correctional Complex**

MONROE - 444

- Commissary - 47
- Package Programs - 30
- Food Service - 257
- Laundry - 33
- License Tabs - 9
- Optical - 20
- Print Services - 38
- Site Services - 10

#### **Airway Heights Corrections Center**

AIRWAY HEIGHTS - 591

- Commissary - 55
- Food Distribution - 22
- Food Factory - 170
- Food Service - 170
- Laundry - 19
- Optical - 68
- Site Services - 7
- Textiles - 79
- Transportation - 1

#### **Coyote Ridge Corrections Center**

CONNELL - 459

- Food Factory - 153
- Food Service - 166
- Laundry - 29
- Mattresses - 17
- Site Services - 19
- Textiles - 75

#### **Washington State Penitentiary**

WALLA WALLA - 296

- Box Production - 28
- Field Crops - 4
- Food Service - 159
- Laundry - 23
- License Plates - 38
- Metal Fabrication - 32
- Site Services - 3
- Transportation - 9

## Reentry success stories



### TRAC Program

“ I can get out with a fresh start and have a good job and be a productive member of society. ”

**Shawna Norberg**

*Currently incarcerated individual*

On TRAC to Rebuilding Themselves

May 31, 2019

By Rachel Friederich, DOC Communications

BELFAIR, Wash. – Shawna Norberg looks like any construction worker. Dressed in gloves, a hardhat and a reflective vest, she kneels beside a mat of rebar and talks about what she’s learned.

“This is what you call throwing a mat tie,” Norberg, 37, says. “You put these snap ties on and then pour in concrete. So now if the concrete cracks the concrete will hold its form.”

Norberg is an inmate at Mission Creek Corrections Center for Women. She hopes the skills she’s learned will help her become a carpenter when she releases from prison next year. Norberg and eight other women are the first to graduate from the prison’s new Trades Related Apprenticeship Coaching program, also known as TRAC.

The women began the course in January 2019 and graduated on May 29, 2019.

TRAC is a 16-week pre-apprenticeship program in which participants get hands-on vocational training in trades including carpentry, iron work, construction, craft laborers, cement masons and plastering. At the end of the class, students are able to test for preferred entry into union apprenticeships for each trade.

Norberg said she’s glad she took the TRAC program and she’s excited she has the skills to enter a career field that’s in high demand. According to the U.S. Bureau of Labor Statistics (BLS), the 2018 annual median wage for carpenters was \$46,590. The BLS expects jobs to grow by eight percent through 2026. Starting wage for a first period carpenters apprentice is \$27.55 per hour plus a \$16.52 per hour benefit package. The package is set between the Pacific Northwest Regional Council of Carpenters and the Association of General Contractors.

“I would never think in a million years that I could be so proud of myself coming out of prison,” Norberg said. “I can get out with a fresh start and have a good job and be a productive member of society. It’s beyond everything I could have comprehended.”



## Success on the Outside

Though TRAC is a new program at Mission Creek, it's been operating at the state's other women's facility — Washington Corrections Center for Women in Gig Harbor — since 2000, according to the facility's TRAC Instructor Steve Petermann.

Program officials say to date, more than 300 women have completed TRAC program. Petermann said women in the TRAC program have gotten trades jobs in a wide variety of fields besides the ones TRAC specifically trains for, including millwrights, pipefitters, elevator constructors, operating engineers and even electricians.

Buffy Henson, 50, is an example of that. Henson's been to prison three times since 2007. The last time she went to prison — in 2015, she took a chance on TRAC. And it paid off. Three days after her release from prison in 2016, a cabinet manufacturing company in Olympia gave her an entry-level job filling glue bottles. She quickly promoted, taking the time to seek mentorship from her co-workers and using the training she received in TRAC. She's now a project engineer at the company.

"I learned a lot about myself," Henson said. "I learned that I was a lot more than what I was giving myself credit for."

She says if it wasn't for TRAC, she might not have the renewed relationships with her family and children, stable housing or the wonderful relationship with her husband that she now has.

"TRAC was just lifesaving for me," Henson said. "I pushed myself harder than I ever had before. Mentally. Spiritually. I just finally wanted enough change that I was willing to do it. It's an awesome program. I'd recommend it for anyone."

“ TRAC was just lifesaving for me. It's an awesome program. I'd recommend it for anyone. ”

**Buffy Henson**

*Previously incarcerated individual*

## Reentry success stories



### Braille Program

“If it wasn't for the (braille transcription) program, I'd probably be dead. This program saved my life.”

#### Angela Vargas

*Previously incarcerated individual*

'Lost Soul' Finds New Purpose Through Corrections' Braille Program  
October 26, 2018  
By Rachel Friederich, DOC Communications

VANCOUVER, Wash. – When Angela Vargas went to prison 15 years ago for theft and murder conspiracy charges, she never thought her time behind bars would lead to the job of her dreams.

“I was a very lost soul,” Vargas recalled about her life before incarceration, “very insecure, angry and unmotivated to do anything else but live that kind of life.”

Her life changed, however, when she learned how to translate print materials into braille at the Washington Corrections Center for Women in Gig Harbor. Braille is a system of raised dots that can be read with the fingers by people who are visually impaired. The prison offers a transcription services program run through a partnership with the Washington State School for The Blind and Department of Corrections.

As a result of her training in prison, Vargas landed a braille coordinator job at the Ogden Resource Center shortly after her release in 2012. Vargas makes sure the materials are error-free and assembled correctly before they're distributed to clients. The job, she says, fills her with pride.

“I know what we do gives visually impaired children the same type of education and advancement options as sighted people,” the 45-year-old said. “We provide a service for them, and that's fulfilling for me.”

“If it wasn't for the [braille transcription] program, I'd probably be dead,” she said. “This program saved my life.”

Vocational education programs like braille transcription are an example of measures Corrections is taking to support Governor Jay Inslee's data-driven Results Washington Initiative on Healthy and Safe Communities.





## Unlocking Opportunities

Felicia Dixon said she's an example of how the braille program is transforming lives of incarcerated women. She's been incarcerated since she was 18 for residential burglary and attempted murder charges and has a little more than two years left until her release date.

Learning how to transcribe braille ultimately led her to earning her Associate's Degree while incarcerated.

"I didn't have direction or ambition before," Dixon, 32, said. "I grew up in poverty, and college was not talked about. I never thought about it, but this experience has opened up a whole new world."

She is the first person in her family to earn a degree and plans to eventually transfer to the University of Washington to get a bachelor's degree in either sociology or education. She has dreams of becoming a teacher.

"I was able to figure out who I was and what I wanted to do with my life," Dixon said.

As for Vargas, she's enjoying her new passion and second chance at freedom. She recently led a workshop on creating braille textiles at Portland State University. She plays on a minor league softball team once a week. She's rebuilding relationships with her three adult children, all of whom were under the age of 11 at the start of her incarceration.

She's also visited several juvenile detention facilities as part of The IF Project, a program aimed at preventing and reducing incarceration and recidivism. IF asks the question: "If someone could have said or done something to help them, what would it have been?"

She hopes that by sharing her story, she can motivate others to change. "When people see me, they see that there's a chance," Vargas said. "If you work hard and really want something, you can get it. Life isn't over because you went to prison."

“ I was able to figure out who I was and what I wanted to do with my life. ”

**Felicia Dixon**

*Currently incarcerated individual*

## Reentry success stories



### Food Service

“ Use the opportunity [working for Correctional Industries] to prepare yourself mentally and acquire all the skills from the particular job you’re working and apply that in the real world. ”

**Charles Wood**

*Previously incarcerated individual*

“To be a hard worker and to come to work prepared,” is what Mr. Wood said he learned while working as a food service worker for one (1) year at the Monroe Correctional Complex (MCC) - Washington State Reformatory. Mr. Wood shared that the best experience he had working in food services was that some of the supervisors “treated us like men.” He stated they were shown techniques to use for their assigned jobs that made it easier and faster.

When asked how CI prepared him to find post-release employment he stated, “CI prepared me by giving me the experience of a job. Before CI I have never worked a job so CI prepared me to have the feel of what a job is going to be like in the real world.”

Mr. Wood described his experience he had with the CI workforce development team as great. He stated, “My employment specialist worked with me closely and got me an interview with the job I’m with now. I ended up with a very good job and I have moved up the ranks in a very short time.”

Mr. Wood’s advice to incarcerated individuals who currently work for CI is for them to use the opportunity to prepare themselves mentally, and acquire all the skills from the particular job they’re working and apply that in the real world.

In talking about his future career path, Mr. Wood indicated that he looks forward to continuing to excel in the field and he hopes it can become a lifelong career. It has been two and a half years since Mr. Wood was released from prison.



Mr. Sherman obtained a welding degree and worked as a welder in the metal plant prior to his release from the Washington State Penitentiary last May 2019. His decision to work in Correctional Industries (CI) was to allow him to gain further welding experience. He indicated that the technical skills he learned while working for CI was very beneficial. Welding school and the metal plant experience gave him the opportunity to apply everything he'd learned. He stated that his supervisor, Jeff Hayes, taught him a lot of fabrication tricks. Another benefit for working in CI was that he was also able to pay off his legal financial obligations prior to release.

When asked how CI prepared him to find post-release employment Mr. Sherman said, "Makin' It Work and the Mock Interview Fair really helped me to boost my confidence."

While working in the metal plant, Mr. Sherman shared with us that "Jeff, Kathy, Donny, Josh, James and Erick were great to work with. They always encouraged me and lifted me up with positive feedback. They all showed me they cared and that was huge for my growth!" He also stated, "I'll be forever grateful that our paths have crossed and I'll continue to show my gratitude for you all by always doing the next right thing and to be helpful and encourage the ones who need it like you've done for me."

Currently, Mr. Sherman is a welder and is also learning to be a heavy equipment machine mechanic at a local recycle company. He stated, "CI helped me get there by their support and always pushing me to learn more."

Mr. Sherman's advice to incarcerated individuals who currently work for CI is to learn all the skills they can and that the experience is truly helpful.

"Work, work, work, and save, save, save," is what Mr. Sherman looks forward to the most in his future. His family is very proud of him and he says that it's all he ever wanted. He said, "Once I finally decided to change and do something different and connected it to my heart, everything changed." He also shared that he is no longer the person he used to be, and now he can look in the mirror and like what looks back.

“ Now I've got a great job and a good life. Correctional Industries and all CI staff, was, and is, a part of what got me to where I am today. ”

**Jacob Sherman**  
*Previously incarcerated individual*

# 2019 Annual Report

## ADVISORY BOARD

Business - Jim Huffman  
Business - Vacant  
Business - Vacant  
General Public - Kim Bogucki  
General Public - Rick Griffin  
General Public - Debbie Regala  
Labor - Bill Messenger  
Labor - Chelsea Nelson  
Labor - Vacant  
State Senator - Patty Kuderer  
State Senator - Vacant  
State Representative Dan Griffey  
State Representative Strom Peterson

## LEADERSHIP

Sarah Sytsma  
Director  
  
Todd Cunnington  
Assistant Director  
  
Jamie Dolan  
Assistant Director  
  
Scott Edwards  
Assistant Director  
  
Emily Hetland  
Assistant Director

## STAFF RECOGNITION

### Commitment to Quality Award

Robert Owens

### Rising Star Award

Erin Proctor

### Team Work/Team of the Year Award

TRAC Expansion Team:

John Brown  
Ray Gilbreath  
Maria Hall  
Cory Holien  
Wes Marcum  
Steve Petermann  
Roy Pidcock  
Beth Rietema  
Dennis Tabb

### Louie Sarot Customer Service Award

Linden Dalrymple

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