



## Legislative Council Staff

Capital Construction Fact Sheet (December 2017)

### COLORADO CORRECTIONAL INDUSTRIES

#### AT A GLANCE

- ✓ Approximately 1,300 inmates are voluntarily employed by CCI.
- ✓ CCI operates industries in 19 of the 24 prison facilities located across the state (private prisons do not participate). A [map](#) of CCI locations can be found in the CCI 2016 Annual Report (see page 29).
- ✓ Inmates work an average of 34 hours a week earning \$0.84/day.
- ✓ A DOC report found that CCI participants are significantly less likely to commit a repeat offense and far more likely to find work upon release.
- ✓ CCI supervised work programs are reported to save approximately \$5,000 per inmate, or \$7,645,000, annually in DOC supervision costs.

Colorado Correctional Industries (CCI), a self-supporting division of the Department of Corrections (DOC), oversees and manages prison work programs in the state. Established in 1977, CCI's purpose, as defined in state law, includes providing employment to as many inmates as possible and training them with marketable skills to increase the likelihood of employment upon release. CCI is authorized to operate in a profit-oriented manner and may enter into joint venture agreements with private industry to buy and sell goods. A 13-member advisory board largely concerns itself with the establishment of new prison industries.<sup>1</sup>

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CCI manages a diverse array of businesses and divides its products into three divisions: services, manufacturing, and agribusiness. Some of the more well-known businesses are dog and mustang training, fire-fighting, and dairy goat operations.

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**Customers.** CCI's primary customers are state government agencies, the citizens of Colorado, and private, in-state partners who contract through CCI. Prisoner-made goods may be sold outside of state lines as long as they are assembled, packaged, and shipped from Colorado.

**Price controls.** Statutory price controls affecting CCI are intended to ensure that its prices do not exceed prevailing market prices.<sup>2</sup> In other words, prison industries are designed not to crowd out or displace existing private firms.

**Prison Industry Enhancement Certification Program (PIECP).** Another labor program operated by CCI is the federally regulated PIECP, which allows inmates to work in private sector jobs and earn locally prevailing wages with deductions for taxes, room and board, victims' compensation, and family support. PIECP also permits the interstate sale of inmate-made goods. CCI was certified under PIECP in 1990 and operates eight active programs that employ approximately 250 inmates who earn \$74 to \$126 a day (or \$9.30 to \$15.79 an hour) before

<sup>1</sup>Section 17-24-101, *et seq.*, C.R.S.

<sup>2</sup>Section 17-24-112 (1), C.R.S.

deductions. The programs include the fabrication of leather products, garments, furniture, fiberglass, metal, and signs and awards.

*Reimbursement to DOC.* CCI is charged with operating in a “profit-oriented” manner to partially reimburse the General Fund for the costs of inmates’ incarceration.<sup>3</sup> According to DOC, reimbursement is sought only from inmates participating in PIECP, and proceeds are allowed to be disbursed back into the programs to offset operational costs. In FY 2016-17, \$100,543 was reabsorbed back into PIECP programs.

*CCI audit.* The Colorado Office of the State Auditor published the results of a performance audit of CCI in January 2015. The audit questioned a number of CCI’s business practices, including its ability to operate in a profit-oriented manner, fully fund itself, and reimburse DOC inmate incarceration costs. Among other items, the audit recommended the establishment of proper internal controls and profitability goals, along with better program monitoring and reporting.

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House Bill 17-1125 removed the requirement that CCI provide laundry, food, and maintenance services to DOC. Although required to provide those services under Colorado law, an audit found that CCI had not done so since 1982.

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*Differing perspectives on prison industries.* Prison industries are viewed by many in the correctional field to be rehabilitative and helpful in reintegrating the inmate into society. The positive aspects of the program include structure, a sense of purpose and engagement, and employment skills. Participating businesses have also reported that the prisoner work force has proven to be affordable, flexible, and dependable.

Concerns have been voiced, however, about prisoners being exploited for the sake of profit. Competing businesses in the community have also questioned if prison industries hold an unfair advantage with the inexpensive cost of prison labor and associated high profit margins. It has been argued on the community-level that these advantages have the ability to impact local employment rates and wages.

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<sup>3</sup>Section 17-24-106 (1)(a), C.R.S.