

Issue Brief

OREGON CORRECTIONS ENTERPRISES



General Overview

Established in 1999 through the passage of Ballot Measure 68, Oregon Corrections Enterprises (OCE) is a semi-independent organization, whose administrator reports to the director of the Oregon Department of Corrections (DOC). OCE plays an important role in carrying out Ballot Measure 17, the constitutional mandate to engage male and female adults in custody (AICs) in meaningful work. ***By statute, OCE is funded solely through the sales of its products and services.***

The mission of OCE, in partnership with DOC, is to promote public safety by providing AICs with meaningful work experience in a self-sustaining organization. OCE plays an important role in implementing DOC's Oregon Accountability Model (OAM). The OAM is a cohesive strategy to reduce recidivism and influence AICs to make effective changes, leading to better outcomes. Through the development of positive work ethics and job skills, OCE assists AICs in their transition to realizing their potential as productive citizens, creating positive outcomes, while contributing to society and their families.

OCE Statistics – Fiscal Year 2022 - 2023

- 96 citizens employed
- Averaged 1,381 offenders per month, out of a total DOC population of 11,786 (Jun 2021). Participation in OCE programs has remained steady despite fluctuations in DOC population.

Fiscal Years	AIC
2013-2015	1,335
2015-2017	1,356
2017-2019	1,444
2020-2021	1,429
2021-2023	1,378

OCE Programs

- Contact Centers
- Sewing/Embroidery/Textiles
- Wood Fabrication
- Upholstery
- Commercial Laundry
- Printing and Mail Fulfillment
- Metal Fabrication
- Multimedia Design
- Computer Aided Drafting and Design – CADD
- Sign Design and Fabrication
- Document Scanning
- Office Services
- General Labor and Production
- Logistics

Work Skills Certification and Re-Entry

Similar to the Federal Job Corps model, participating AICs gain entry-level experience with technical and industry-specific skills as well as develop pro-social skills and work ethic. They learn decision-making, social interaction, teamwork, reliability, and accountability. The programs strive to duplicate a real-world experience to prepare AICs for job readiness on the outside.

OCE administers industry-recognized Bureau of Labor and Industries (BOLI) training programs. Through these programs, qualified AICs develop the skills and attitudes needed to enhance their opportunities to secure employment upon release.

OCE's Contributions

Benefiting the Citizens of Oregon

OCE's programs are designed to achieve savings in government operations through procurement and to benefit Oregon communities through local purchasing. OCE purchases as much as possible of its raw material needs from Oregon companies, contributing to the

success of local business. A 2018 study by ECONorthwest shows, for every million dollars produced by OCE, \$690,800 is re-spent along the supply chains in the state, compared to \$346,500 for private sector counterparts. OCE direct employees are primarily high-skill level jobs, while the private sector includes low- and high-skill jobs. In total, OCE pays more in total wages, which has a net positive induced effect on Oregon's economy.

OCE regularly evaluates its programs to discover additional ways to operate in a more environmentally-friendly manner. OCE works to align its business practices with state initiative by utilizing environmentally friendly practices to include chemicals, soy based inks, and water reclamation. Throughout our facilities we have reduced the use of harmful chemicals. We use environmentally friendly custodial cleaning products, water-based finishing stains, and vibrant soy-based printing inks. Our water reclamation system saves an estimated 10 million gallons of water per year. We also work with local recyclers to process the scrap metal, allowing it to be melted back down and made into usable products.

OCE also makes every effort to keep as many adults in custody working as financially possible. AICs contribute part of their earnings toward meeting obligations for child support, state and federal taxes, court-imposed fines, and victims' assistance fund. Each year OCE reimburses DOC millions for performance recognition awards and wages for the AICs for the successful completion of their assignments. The costs of OCE programs are not funded by taxpayer dollars, yet the program still benefits the state by avoiding criminal justice system costs. A 2017 report by the Oregon Criminal Justice Commission concluded for every dollar invested with OCE, the citizens of Oregon avoid \$5.20 in recidivism costs.

Contributing to Public Safety

When AICs have productive activities to occupy their time, Oregon's prisons are safer. Working with DOC, OCE seeks partnerships with other agencies and private organizations to provide work and training programs for AICs mirroring real-world job experiences as much as possible. OCE holds AICs accountable for their actions, and these adults understand a prerequisite for participating in OCE programs is to maintain good institutional conduct. Based on the OAM, DOC, and OCE staff members help AICs by role modeling, redirecting AIC behavior, and reinforcing positive performance.

Minimizing Competition

OCE recognizes the importance of minimizing competition with private businesses, unions, and other

agencies. Our ultimate goal is for men and women to secure employment in the private sector upon release. We strive to balance this priority with our constitutional mandate to engage AICs in meaningful work where they learn transferable skills for jobs in our communities.

Through its new business development efforts, OCE partners with private sector businesses and pursues programs teaching transferrable skills to the greatest number of AICs. These skills prepare program participants for release to work in similar jobs for private sector employers. These employers are committed to improving Oregon by reducing recidivism and helping to rebuild families and communities by offering second chances through living-wage jobs.

OCE evaluates each opportunity to collaborate with private sector businesses in depth to maximize the benefit to those in our programs and minimize potential displacement to the Oregon economy. OCE will continue to seek collaborative partnerships while taking measures to avoid competing with the private sector.

Organizational Oversight

As an extension of DOC, Oregon Corrections Enterprises' administrator is appointed by and reports to the DOC director.

OCE Advisory Council

The purpose of the Council is to provide policy and business enterprise input concerning OCE operations to the OCE Administrator.

OCE's Advisory Council must include representatives from the banking or finance industry, private business in Oregon, and the field of labor relations, as well as tribal, state, and county government. Each member applies for a two-year term and is appointed by the OCE Administrator and confirmed by the DOC Director. All members of the Council are dedicated to the success of OCE and those assigned to our programs.

Audits

OCE is subject to audit by the Oregon Secretary of State by law. In addition, OCE voluntarily subjects itself to three types of audits:

- OCE annually hires an independent certified public accounting and consulting firm that is sanctioned by the Secretary of State to audit OCE financials.
- OCE periodically hires an independent information technology audit firm to audit OCE's information systems.

- OCE operations are annually audited internally by both OCE and DOC.

Policies and Procedures

All Oregon Corrections Enterprises policies and procedures are modeled after those set forth by the State of Oregon. Policies are reviewed and updated no less than every five years or any time a law or rule affecting OCE changes.

OCE's legal representation is provided by the Oregon Department of Justice at the same rates as for other state agencies.

Financial Statements

OCE operates under Generally Accepted Accounting Principles (GAAP) just like the private sector. Financial Statements are based on a fiscal year unlike the State which follows a biennial process.

All of OCE's financial information is filed annually through the Oregon Department of Administrative Services, and is included in the State Comprehensive Annual Financial Report (CAFR). OCE is consistently awarded Gold Star status for its CAFR reporting.

OCE Financial Overview

Oregon Corrections Enterprises is mandated by Oregon State Statute to operate in a businesslike fashion, receiving no general fund assistance. All funds generated by OCE are used for implementing, maintaining, & developing prison work programs.

OCE's cash is utilized in three different ways to sustain the organization:

- 1) Operating Expenses: Staff salaries, AIC awards, utilities, freight, sales and marketing and other monthly operating expenses.
- 2) Program Expenses: Purchase of raw materials and supplies used in OCE work programs.
- 3) Capital Expenditures: Committed funds for the purchase of all necessary machinery and equipment for establishing, equipping and sustaining prison work programs.



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