



2024

**Annual
Report**

Michigan State Industries

Building Bridges to Success

From the Administrator

Another year in the books and the older I get, the quicker they fly by! The years also validate the importance of what correctional industries offer to the offenders we employ and the State of Michigan.

We are a self-funded entity of the Michigan Department of Corrections. Our number one goal is to provide goods and services to our customers to maintain a positive net margin. This allows us to operate our factories, train our workers, and reinvest to remain competitive. Along the way, real-world skills are taught to our workers to give them a better chance at success upon release. Ultimately, reducing the recidivism rate, which results in a win-win for the offender, MSI, MDOC, and the State of Michigan.

2024 marked our 10th year in a row with a positive net margin. This validates the hard work that is carried out each day by the team at MSI! A team that shows up to do the work, stays flexible, puts up with many variables affecting production that are out of their control, and always find a way to get the job done! They are constantly being challenged with difficult tasks that most private sector manufacturers take for granted.

As I approach my third year as the administrator, I continue to be inspired and deeply grateful for the team that has been assembled at MSI. Each member's dedication, creativity, and resilience have been the driving forces behind our achievements this year. Our MSI team brings unique expertise, dedication, and passion to the organization. You are the process owners and the true experts, driving our success through your knowledge and commitment.



To our vendors and customers, thank you for supporting us in our mission! Your partnership has been invaluable, and we couldn't do this without you. Doing business inside the secure perimeter of a correctional facility comes with its own unique set of challenges. Your patience and commitment to our overall success is greatly appreciated.

So, it's the hard skills we teach our workers that help produce items to support our bottom line. The soft skills they learn are equally important. Showing up on time, learning to problem solve, learning to improve processes, learning to work on a team towards a common goal, learning to be adaptable, learning to communicate professionally and be leaders. Collectively, these skills are the core of our mission. And as awkward as this sounds, our goal is to not have those we serve return. We want them to succeed – to become hardworking, taxpaying citizens, and good neighbors for the state of Michigan. Their success is our success, and it is the greatest testament to the work we do.

A handwritten signature in black ink, appearing to read "Greg Dancer".

Greg Dancer
Administrator, Michigan State Industries



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Management

Discussion & Analysis

This Annual Report provides an analysis and evaluation of the current and prospective restructuring, cost reductions, asset management and progress towards the financial stability of Michigan State Industries while preparing prisoners for their return to society.

Restructuring

Michigan State Industries (MSI) is continually evolving the organizational plan that will streamline operations and improve efficiency allowing us to better serve MSI customers, the Department, and the Michigan taxpayer. MSI is working to assess current operations as it aligns with the core mission of prisoner success while restructuring the business model and operations to become fiscally solvent. In 2021, we began collecting live shop floor data, during normal production at the license plate factory in Adrian, along with the garment factory at Carson City. During 2022, MSI implemented the remaining factories and is now retrieving live shop floor data at all locations (besides our Dental, Optical, Print and Laundry operations). The MSI Print and Laundry operation will begin retrieving live shop floor data in 2025.

Successes

MSI's management team remains committed to working with the Department of Corrections to identify and collaborate with other key stakeholders, and to help meet its mission of protecting public safety and improving parolee recidivism.

Contributions

MSI is an effective management tool for reducing inmate idleness, providing structured training programs, instilling transferrable job skills, a positive work ethic, social management skills and personal responsibility. Approximately 500 prisoners per day are employed with MSI engaged in 12 factory operations to meet the needs of government and select nonprofit organizations. These prisoners are accountable daily for being on time, meeting production goals and working as a team.

Results to Date

In FY 2018 MSI posted its first positive cash position in over 10 years, an \$8 MILLION-dollar improvement. MSI has concluded the last seven fiscal years with a positive cash position.

Moving Forward

MSI will continue to use LEAN business processes throughout its organization. MSI staff is involved in the department's EPIC efforts. Collaboration began with Education and Prisoner Success to more fully integrate services relating to preparing prisoners for their return to society. MSI's management team is committed to working with the Department of Corrections and other key stakeholders in utilizing collaborative efforts to refine its operations and utilize assets for the maximum benefit of the State.

Mission

“Building Bridges to Success” by providing real employment opportunities for Michigan adults in custody, educating and empowering them to become law-abiding, tax paying citizens through successful work skills training.

Values

PERSEVERANCE – to keep working to make things better for our customers, our co-workers and our staff and toward getting the job done!

ACCOUNTABILITY – Both for ourselves, our co-workers, our staff and others to ensure excellence.

RESPECT – In how we treat co-workers, staff, and customers at all times.

TRUST – in our co-workers and staff that we can do this together when we work together in a blame-free environment.

NET INCOME – achieving the objective to provide quality goods and services to our customers at zero cost to the taxpayers of the State of Michigan and high-quality job skills for our co-workers and staff.

EXCELLENCE – In how we train our staff and co-workers, in our work, our products and services.

RESOURCEFULNESS - to try something new, to do something different, to think outside the box, to seek solutions.

SERVANT LEADERSHIP – ensuring management exists to support staff in accomplishing the objectives of the organization.

HONESTY – Being truthful in all our endeavors.

INTEGRITY – Doing the right thing, not necessarily the easy thing.

PROFESSIONALISM – Conducting business in advance, openly, always seeking solutions to problems, respecting others’ time and business confidentiality, communicating timely using oral or written means, utilizing appropriate language, grammar and spelling to best represent MSI and MDOC.

Our Facilities Locations

Michigan State Industries operates 12 factories at 9 locations across the state. Logistics and resource availability play a significant role in the location of each factory. Each factory is supervised by a plant manager, operates either one or two shifts, and employs prisoners as required to meet customer demands.



1. Bellamy Creek
 Ionia, Michigan
 -Shoe Factory
 -Sign Shop

2. Brooks
 Muskegon, Michigan
 -Laundry

3. Carson City
 Carson City, Michigan
 -Garment Factory

4. Cotton
 Jackson, Michigan
 -Print Shop
 -Mattress Factory

5. Gus Harrison
 Madison Charter Twp., Michigan
 -License Plate
 -Optical Laboratory

6. Ionia Maximum
 Ionia, Michigan
 -Garment Factory

7. Chippewa
 Kincheloe, Michigan
 -Garment Factory

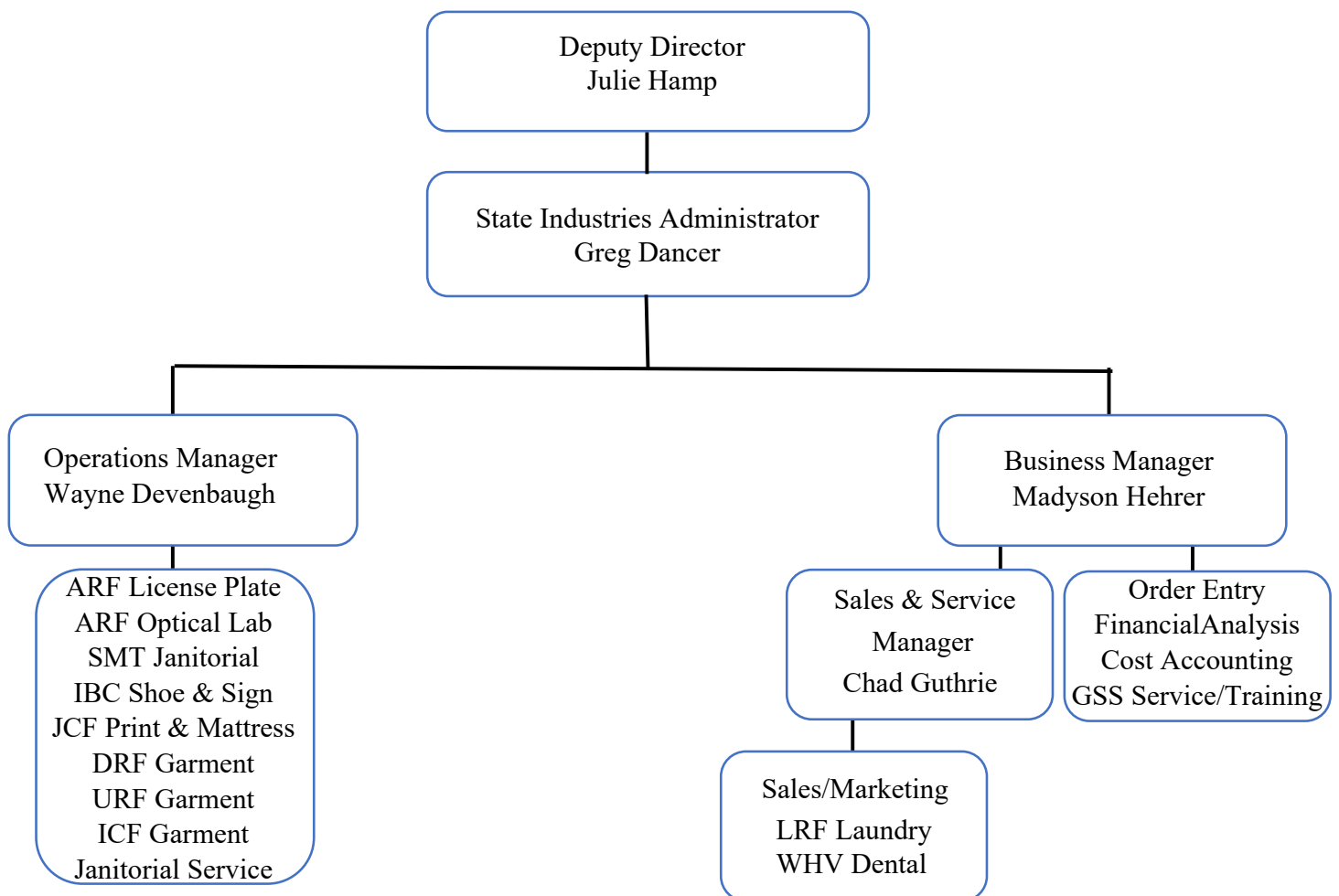
8. Huron Valley
 Pittsfield Twp, Michigan
 -Dental Laboratory

9. Parnall
 Jackson, Michigan
 -Janitorial Factory

Organizational Chart

Michigan Department of Corrections Budget and Operations Administration

Michigan State Industries Administration/Operations



The **Carson City Garment** Factory

Located at the Carson City Correctional Facility (DRF) 10274 Boyer Road in Carson City, Michigan 48811. DRF houses Level IV, II and I prisoners, with a net operating capacity of 2,406 beds and supervised by Warden Randy Rewerts. This factory operates 5 days per week and inmates are scheduled to work from 6:30 am to 1:42 pm. The Carson City Garment Factory employs only Level I prisoners and manufactures all Michigan correctional officer uniform pants, Emergency Response pants, various custody belt device holders such as radio, personal protection device, handcuff cases, etc... It also manufactures prisoner purchased athletic wear (shorts, sweatshirts, sweatpants) prisoner uniform shirts and pants and prisoner pajamas.

This factory employs a total of three civilian employees, including 1 Industries Supervisor 12 and 2 Industries Production Leaders E8-10. Carson City employs an average of 101 prisoner workers.

Plant Manager: Wendy Skinner;
SkinnerW@Michigan.gov

Marketable Skills:

Job skills such as sewing machine operators, machine repair and maintenance, pattern-makers, cutters, physical and raw goods clerks, shipping and receiving duties, trimmers, order fulfillment, crew leaders.



The **Chippewa Garment** Factory

Located at the Chippewa Correctional Facility (URF) W. M-80 in Kincheloe, Michigan 49784 which houses Level IV, II and I prisoners, with a net operating capacity of 1,960 beds and supervised by Warden Jamie Corrigan. This factory operates five days a week and inmates are scheduled to work from 6:42 am to 1:45pm. The Chippewa Garment Factory employs Level II prisoners only and manufactures all Michigan correctional officer winter wear (coats, bib overalls, vests, caps) and officer shirts, prisoner purchased winter coats, food service chef shirts, ANSI safety wear and various other items.

This factory employs a total of four civilian employees, including 1 Industries Supervisor 12 and 3 Industries Production Leaders E8-10. Chippewa employs 99 prisoner workers.

Plant Manager: Pennie Clymer;
ClymerP@Michigan.gov

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, crew leaders, shipping and receiving duties. Specialty skills to the garment industry includes pressers, sewing machine operator, pattern-makers, cutters, trimmers, and embroidering skills.



The **Ionia Garment** Factory

Located at the Ionia Correctional Facility (ICF) 1576 W. Bluewater Hwy. in Ionia, Michigan 48846. ICF houses Level V and II prisoners only, with a net operating capacity of 706 beds and supervised by Warden Dale Bonn. This factory operates 5 days per week and inmates are scheduled to work from 7:15 am to 2:15 pm. The Ionia Garment Factory Industry employs Level II prisoners only and manufactures American flags and scrubs for MDOC staff, as well as thermals, sweats, t-shirts, NES PT wear, ride out clothing for prisoner issue and various ANSI safety vests.

This factory employs a total of two civilian employees, including 1 Industries Supervisor 12 and 1 Industries Production Leader E8-10, and 86 prisoner workers.

Plant Manager: Emileigh Neve;
NeveE@Michigan.gov

Marketable Skills:

Job skills such as sewing machine operators, machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, pattern- makers, inventory control, crew leaders, quality control inspectors.



The **Mattress** Factory

Located at the G. Robert Cotton Correctional Facility (JCF) 3500 N. Elm Road in Jackson, Michigan 49201. JCF houses Level I, II and IV prisoners, with a net operating capacity of 1,212 beds and supervised by Warden Bryan Morrison. The factory operates five days a week and inmates are scheduled to work from 6:35 am to 2:15 pm. Only level I and II prisoners are employed in the Mattress Factory. This factory produces mattresses, pillows, laundry bags, shower curtains, jumpsuits, prisoner shirts, dog beds, and non-custody outerwear for the MDOC. Its customer base also includes many of the State's County jail programs, DNR campgrounds, and has been exploring the non-profit hospital markets.

This factory employs 2.5 civilian employees, including 0.5 Industries Supervisor 13 and 2 Industries Production Leaders E8-10 and a total of 48 prisoner workers.

Plant Manager: Joe Stambaugh;
StambaughH@Michigan.gov

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, quality assurance managers, stock clerks, order fulfillment, crew leaders, sewing machine operators, stock clerks, order fillers, quality control inspectors.



The License Plate Factory

Located at the Gus Harrison Correctional Facility (ARF) 2727 East Beecher Street in Adrian, Michigan 49221. ARF houses Level II and I prisoners, with a net operating capacity of 1,090 beds and is supervised by Warden Sherman Campbell. The License Plate Factory operates four days a week and inmates are scheduled to work from 6:15 am to 3:25 pm. The License Plate Factory employs Level II prisoners only and provides both license plate manufacturing services for the Michigan Secretary of State and custom fund-raising plates for individual groups. It also produces acrylic awards, a large array of custom vinyl products, a variety of laser cut wood products such as cutting boards, mitten clocks, Lazy Susan's, and of course, the famous license plate birdhouses.

This factory employs a total of five civilian employees, including 1 Industries Supervisor 12 and 4 Industries Production Leaders E8-10. It also employs a total of 36 prisoner workers.

Plant Manager: Ted Pawson;
PawsonT1@Michigan.gov

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, silk screen operators, forklift operators, mixing of inks, computer design, carpentry skills, crew leaders, press machine setters, stock handlers



The Print Factory

Located at the G. Robert Cotton Correctional Facility (JCF) 3500 N. Elm Road, Jackson, Michigan, 49201. JCF houses Level IV, II and I prisoners, with a net operating capacity of 1,212 beds and supervised by Warden Kim Cargor. The Print Shop operates 5 days per week, from 6:35 am to 2:15 pm. Level I and II prisoners are employed by the print shop which produces thousands of forms, booklets, brochures, posters, business cards and envelopes for MDOC, other state agencies, and non-profit customers throughout the state of Michigan.

This factory employs a total of .5 civilian employees, including .5 Industries Supervisor 13, and five prisoner workers.

Plant Manager: Joe Stambaugh;
StambaughJ@Michigan.gov

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, digital press-operation, finishing/bindery, printing press operator, teamwork.



The **Shoe** Factory

Located at the Bellamy Creek Correctional Facility (IBC) 1727 West Bluewater Hwy. in Ionia, Michigan 48846. IBC houses Level IV, II and I prisoners, with a net operating capacity of 1,696 beds and supervised by Warden Matt Macauley. This factory operates five days per week and inmates are scheduled to work from 6:45 am to 1:35 pm. The Shoe Factory employs Level II prisoners only and manufactures leather oxford shoes and boots for both prisoners and MDOC custody staff. It also produces orthopedic shoes as directed from a prescription from MDOC Health Care staff. Officer leather belts are also manufactured at this facility.

This factory employs a total of 1.5 civilian employees including .5 Industries Supervisor 13 and 1 Industries Production Leader E8-10. Shoe employs 37 prisoner workers.

Plant Manager: Buddy Reed;
ReedB4@Michigan.gov

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, shoe and leather production, office clerks, shipping and receiving duties, inventory control, machine operation, safety skills, quality control, production manufacturing, stock clerk/order fulfillment, time and attendance, teamwork



The **Sign** Factory

Located at the Bellamy Creek Correctional Facility (IBC) 1727 West Bluewater Hwy. in Ionia, Michigan 48846. IBC houses Level IV, II and I prisoners, with a net operating capacity of 1,696 beds and supervised by Warden Matt Macauley. The factory operates 5 days per week and inmates are scheduled to work from 6:45am to 1:35 pm. The Sign Shop Employs Level II prisoners only and provides road signs to customers across the state of Michigan, both within the MDOC and throughout state government, county road commissions and others. Additional products include Trail Signs, Labels, Decals, Banners, Recycle Signage, Wooden Signage and Apparel Screening.

This factory employs a total of 2.5 civilian employees, including .5 Industries Supervisor 13 and 2 Industries Production Leaders E8-10. It also employs a total of 20 prisoner workers.

Plant Manager: Buddy Reed;
ReedB4@Michigan.gov

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, CNC programmers, graphic designers, press machine setters/operators, painting, coating and decorating workers, photographic process workers/processors, office clerks, stock handlers, shipping and receiving duties.



The **Janitorial** Factory

Located at the Parnall Correctional Facility (SMT) 1780 East Parnall Road in Jackson, Michigan 49201. SMT houses nearly 1,700 level I adult male prisoners. The SMT facility serves as an in-reach site for the entire state of Michigan, as an in-reach facility, they are charged with the task of readying prisoners for a successful transition to their community. SMT is supervised by Warden Noah Nagy. The Janitorial Factory operates 5 days a week and inmates are scheduled to work from 6:30 am to 3:30 pm. Production includes the mixing and packaging of numerous cleaning supplies, as well as the skills obtained in receiving/shipping and inventory control. Inmates at the janitorial factory understand the concept of inventory and material control, which assist them in obtaining employment in the community upon release.

This factory employs a total of five civilian employees, including 1 Industries Supervisor 13 and 4 Industries Production Leaders E8-10. Janitorial also employs 20 prisoner workers.

Plant Manager: Curtis White;
WhiteC@Michigan.gov



Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, basic training of forklift operations/trainers and concept of inventory and material control, setters, compactors, mixing and packaging of numerous cleaning supplies.

Brooks Laundry

Located at the E. C. Brooks Correctional Facility (LRF) 2500 S. Sheridan Drive in Muskegon Heights, Michigan 49444. LRF houses Level IV, II and I prisoners with a net operating capacity of 1,246 beds and supervised by Warden Chris King. This factory operates 5 days a week and inmates are scheduled to work from 7:30 am to 3:30 pm. The Brooks Laundry Factory employs Level II prisoners only and provides laundry services for the two Muskegon area correctional facilities as well as the Grand Rapids Veterans' Facility, Walter Reuther, Hawthorn Center, Livingston County Animal Control, Livingston County EMS, Center for Forensic Psych, Kalamazoo Psychiatric Hospital, and the Michigan State Police.

This factory employs a total of 3 civilian employees, including 1 Industries Supervisor 12 and 2 Industries Production Leaders E8-10. It also employs 41 prisoner workers.

Plant Manager: Tom Fegan;
FeganT1@Michigan.gov

Marketable Skills:

Inmates learn the soft skills needed to be successful in today's job market. Job skills such as machine operators, machine repair and maintenance, office clerks, file clerks, shipping and receiving duties, crew leaders and assistant crew leaders, laundry and dry-cleaning workers, pressers, teamwork, accountability, quality control inspectors.



The **Dental** Laboratory

Located at the Women's Huron Valley Correctional Facility (WHV) 3201 Bemis Road in Ypsilanti, Michigan 48197. WHV houses Level IV, II and I prisoners, with a net operating capacity of 2,207 beds. The facility is supervised by Warden Jeremy Howard. Only Level I and II prisoners are employed in the dental laboratory, which has a very long training period and a very high employment rate upon release. The factory operates 4 days a week and inmates are scheduled to work from 5:30 am to 2:48 pm. This factory provides all dentures, bite splints, and dental repairs for MDOC prisoners. As the MDOC prisoner population is the only customer for this service, which are under the medical jurisdiction of the MDOC Health Care Division, all costs of the program are paid directly by MDOC Health Care based on historical cost estimates. Actual cost and a reconciliation to estimates are performed at year end.

This Laboratory employs a total of one civilian employee, a Dental Laboratory Technician 12 and (depending on workload) an average of 12 prisoner workers.

Lab Manager: Mary-Jane Neill;
NeillM2@Michigan.gov



Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, dental lab technicians, removable partial and full denture product manufacturing, quality control and crew leader.

The **Optical** Laboratory

A co-operative operation between MDOC Education and MSI. It is located at the Gus Harrison Correctional Facility (ARF) 2727 E. Beecher St., Adrian, Michigan 49221. The facility is supervised by Warden Sherman Campbell. ARF houses prisoners in Level IV, II and I, with a net operating capacity of 1,057 beds. Inmates are scheduled to work from 7:00 am to 3:25 pm. The Optical Laboratory employs level II prisoners. The Optical Lab is supervised by a Trades Instructor under agreement with MSI that MSI will provide all equipment and materials required for the manufacture and distribution of optical wear to MDOC prisoners and staff. This group, as well as students in the program, also work to sort donated glasses for redistribution to the needy in Michigan and donated glasses are used to help the needy in third world countries such as Dominica, Liberia and Mozambique. In addition, MSI will pay for one attempt for each prisoner to take their American Board of Opticianry Certification exam.

This laboratory employs one civilian employee funded through Education. It has 8 board-certified prisoners.

Lab Manager: Matt Yeager;
YeagerM@Michigan.gov



Marketable Skills:

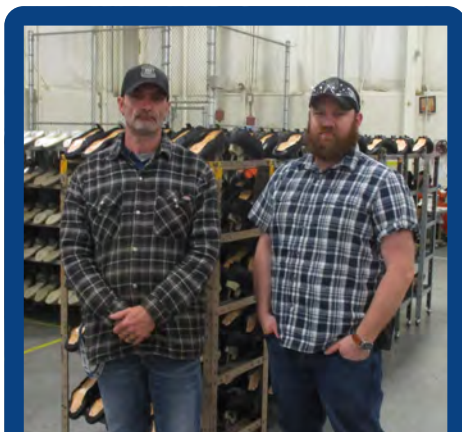
Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, health care support worker, stock clerk/order fulfillment, edger, quality control inspection, lens finisher, polisher and coater, ophthalmic lab technician, step 1 blocker, generator, stock handler.

Meet the Staff

Michigan State Industries



Central Office Staff



Shoe Factory



Sign Shop



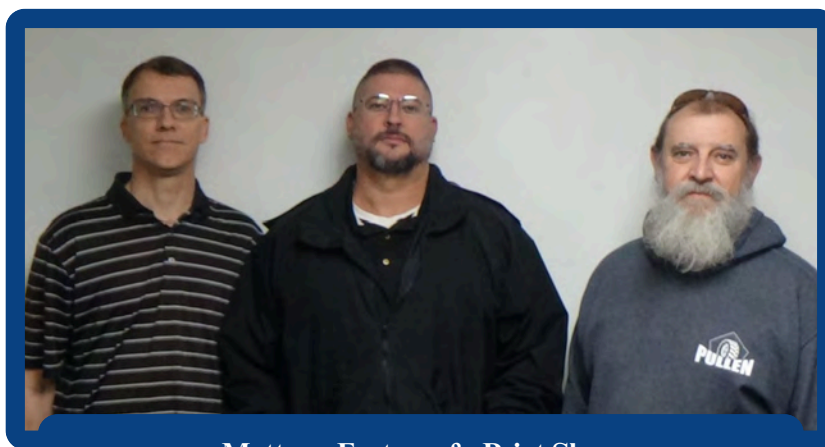
Chippewa Garment



Carson City
Garment



Ionia Garment



Mattress Factory & Print Shop



Brooks Laundry



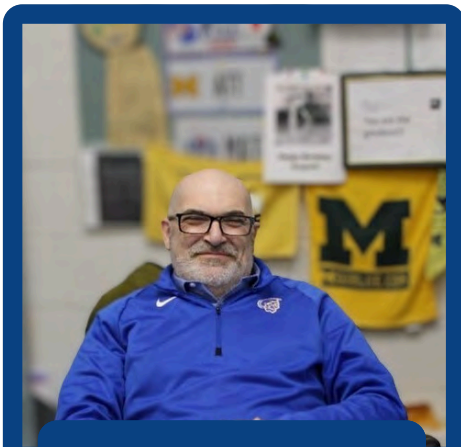
Janitorial Factory



Janitorial Service Technicians



License Plate Factory



Optical Laboratory



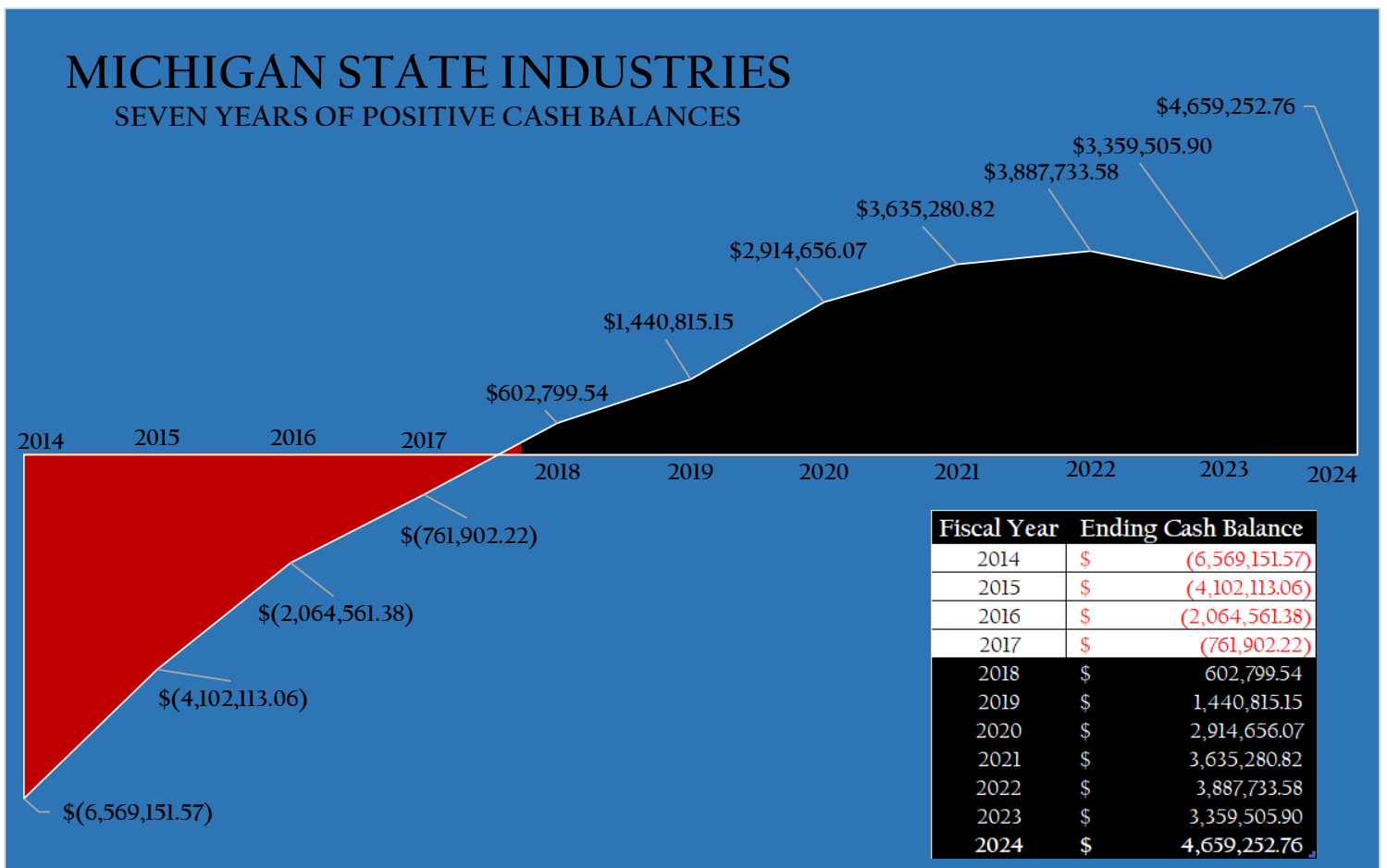
Dental Laboratory



Michigan State Industries

at a Glance:

TOTAL NET SALES THROUGH FISCAL YEAR 2024	\$20,901,675
PERCENTAGE OF TOTAL SALES TO DEPT. OF CORRECTIONS	72%
NUMBER OF INDUSTRY FACTORIES	12
NUMBER OF NEW INDUSTRIES PLANNED	0
WAGES PAID TO PRISONER WORKERS FISCAL YEAR 2024	\$534,437
NUMBER OF CIVILIAN STAFF	43
AMOUNT EXPENSED FROM INVENTORIES FISCAL YEAR 2024	\$8,809,075



Consolidated

Operating Statements

Garment Operations

Year to Date as of: 9/30/2024

	Mattress	Chippewa	Carson City	Ionia	Total
General Sales	\$ 1,746,773	\$ 2,223,577	\$ 2,589,024	\$ 1,419,091	\$ 7,978,465
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Returns & Allowances	\$ -	\$ -	\$ -	\$ -	\$ -
Net Sales and Transfers	\$ 1,746,773	\$ 2,223,577	\$ 2,589,024	\$ 1,419,091	\$ 7,978,465
Costs of Goods Sold:					
Direct Materials	\$ 946,274	\$ 951,278	\$ 1,364,578	\$ 791,036	\$ 4,053,166
Direct Prisoner Labor	\$ 45,934	\$ 100,445	\$ 61,553	\$ 41,408	\$ 249,340
Indirect Prisoner Labor	\$ 6,353	\$ 35,044	\$ 41,426	\$ 43,948	\$ 126,771
Heat, Light & Power	\$ -	\$ -	\$ 74,184	\$ 50,539	\$ 124,723
Maintenance of Assets	\$ 15,614	\$ 28,510	\$ 33,783	\$ 30,737	\$ 108,644
Equipment Less than \$5000	\$ 3,791	\$ 8,911	\$ 18,740	\$ 9,360	\$ 40,802
Inventory Adjustments	\$ (35,868)	\$ (6,654)	\$ 102,294	\$ 2,155	\$ 61,927
Building Depreciation	\$ 2,575	\$ -	\$ 20,600	\$ 26,868	\$ 50,043
Equipment Depreciation	\$ 18,619	\$ 26,182	\$ 25,928	\$ 14,871	\$ 85,600
Other Manufacturing Expenses	\$ 68,419	\$ 87,224	\$ 69,033	\$ 75,913	\$ 300,589
Factory Supervision	\$ 290,236	\$ 368,001	\$ 407,437	\$ 245,241	\$ 1,310,915
Total Cost of Goods Sold	\$ 1,361,947	\$ 1,598,941	\$ 2,219,556	\$ 1,332,076	\$ 6,512,520
Gross Margin	\$ 384,826	\$ 624,636	\$ 369,468	\$ 87,015	\$ 1,465,945
Selling & Administrative Expenses:					
Selling Expenses	\$ 97,054	\$ 92,476	\$ 119,924	\$ 80,575	\$ 390,029
Administration Expenses	\$ (23,558)	\$ (71,585)	\$ (10,808)	\$ (1,180)	\$ (107,131)
Total Selling & Admin. Expenses	\$ 73,496	\$ 20,891	\$ 109,116	\$ 79,395	\$ 282,898
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ 677	\$ -
Gain (loss) From Discontinued Operations	\$ -	\$ -	\$ -	\$ -	\$ -
Net Margin	\$ 311,330	\$ 603,745	\$ 260,352	\$ 8,297	\$ 1,183,047

Laundry Operations

Year to Date as of: 9/30/2024

	Brooks	Total
General Sales	\$ 1,538,271	\$ 1,538,271
Transfers	\$ -	\$ -
Sales Returns & Allowances	\$ -	\$ -
	<u> </u>	<u> </u>
Net Sales and Transfers	\$ 1,538,271	\$ 1,538,271
Prime Expenses:		
Direct Materials	\$ 148,550	\$ 148,550
Direct Prisoner Labor	\$ 33,546	\$ 33,546
Indirect Prisoner Labor	\$ 30,311	\$ 30,311
Heat, Light & Power	\$ 161,469	\$ 161,469
Maintenance of Assets	\$ 82,007	\$ 82,007
Equipment Less than \$1000	\$ 13,379	\$ 13,379
Inventory Adjustments	\$ (65)	\$ (65)
Building Depreciation	\$ 21,081	\$ 21,081
Equipment Depreciation	\$ 10,686	\$ 10,686
Other Manufacturing Expenses	\$ 102,072	\$ 102,072
Factory Supervision	\$ 416,962	\$ 416,962
	<u> </u>	<u> </u>
Total Cost of Goods Sold	<u>\$ 1,019,998</u>	<u>\$ 1,019,998</u>
Gross Margin	\$ 518,273	\$ 518,273
Selling & Administrative Expenses:		
Selling Expenses	\$ 205,139	\$ 205,139
Administration Expenses	\$ (27,858)	\$ (27,858)
	<u> </u>	<u> </u>
Total Selling & Admin. Expenses	\$ 177,281	\$ 177,281
Miscellaneous Revenues	\$ 15,710	\$ 15,710
Gain (loss) From Discontinued Operations	\$ -	\$ -
	<u> </u>	<u> </u>
Net Margin	<u>\$ 356,702</u>	<u>\$ 356,702</u>

All Other Operations

Year to Date as of: 9/30/2024

	Shoe	License Plate	Sign Shop	Janitorial	Dental Lab	Print Shop	Optical Lab	Total
General Sales	\$ 1,380,562	\$ 3,900,820	\$ 973,436	\$ 3,861,376	\$ 336,993	\$ 698,203	\$ 233,550	\$ 11,384,940
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Returns & Allowances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Sales and Transfers	\$ 1,380,562	\$ 3,900,820	\$ 973,436	\$ 3,861,376	\$ 336,993	\$ 698,203	\$ 233,550	\$ 11,384,940
Prime Expenses:								
Direct Materials	\$ 655,404	\$ 1,828,820	\$ 518,274	\$ 1,882,186	\$ -	\$ 439,331	\$ -	\$ 5,324,015
Direct Prisoner Labor	\$ 17,115	\$ 33,048	\$ 14,953	\$ 19,370	\$ 17,767	\$ 4,426	\$ 6,769	\$ 113,448
Indirect Prisoner Labor	\$ 15,569	\$ 13,521	\$ 12,301	\$ 7,826	\$ 3,049	\$ 3,040	\$ 4,256	\$ 59,562
Heat, Light & Power	\$ 83,807	\$ 63,882	\$ 45,018	\$ -	\$ -	\$ -	\$ -	\$ 192,707
Maintenance of Assets	\$ 22,760	\$ 26,818	\$ 33,122	\$ 114,588	\$ -	\$ 10,004	\$ -	\$ 207,292
Equipment Less than \$1000	\$ 2,275	\$ 10,957	\$ 15,054	\$ 7,583	\$ -	\$ 2,334	\$ -	\$ 38,203
Inventory Adjustments	\$ (6,346)	\$ 981	\$ 34,732	\$ (13,070)	\$ -	\$ 1,244	\$ -	\$ 17,541
Building Depreciation	\$ 60,658	\$ 35,269	\$ 32,475	\$ 54,751	\$ -	\$ 147	\$ -	\$ 183,300
Equipment Depreciation	\$ 16,038	\$ 11,970	\$ 37,920	\$ 17,031	\$ -	\$ 2,535	\$ -	\$ 85,494
Other Manufacturing Expenses	\$ 82,412	\$ 53,434	\$ 87,539	\$ 64,894	\$ 43,533	\$ 31,086	\$ 145,091	\$ 507,989
Factory Supervision	\$ 87,166	\$ 641,728	\$ 259,571	\$ 591,470	\$ 126,940	\$ 74,348	\$ -	\$ 1,781,223
Total Cost of Goods Sold	<u>\$ 1,036,858</u>	<u>\$ 2,720,428</u>	<u>\$ 1,090,959</u>	<u>\$ 2,746,629</u>	<u>\$ 191,289</u>	<u>\$ 568,495</u>	<u>\$ 156,116</u>	<u>\$ 8,510,774</u>
Gross Margin	\$ 343,704	\$ 1,180,392	\$ (117,523)	\$ 1,114,747	\$ 145,704	\$ 129,708	\$ 77,434	\$ 2,874,166
Selling & Administrative Expenses:								
Selling Expenses	\$ 79,588	\$ 238,686	\$ 78,357	\$ 157,038	\$ 31,795	\$ 69,742	\$ 10,340	\$ 665,546
Administration Expenses	\$ (48,028)	\$ (46,087)	\$ (23,558)	\$ (46,087)	\$ (9,629)	\$ (4,300)	\$ -	\$ (177,689)
Total Selling & Admin. Expenses	\$ 31,560	\$ 192,599	\$ 54,799	\$ 110,951	\$ 22,166	\$ 65,442	\$ 10,340	\$ 487,857
Miscellaneous Revenues	\$ -	\$ 9,899	\$ 8,049	\$ -	\$ -	\$ -	\$ -	\$ 17,948
Gain (loss) From Discontinued Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Margin	<u>\$ 312,144</u>	<u>\$ 997,692</u>	<u>\$ (164,273)</u>	<u>\$ 1,003,796</u>	<u>\$ 123,538</u>	<u>\$ 64,266</u>	<u>\$ 67,094</u>	<u>\$ 2,404,257</u>

Notes to the FY24

Financial Statements

Note #1

FINANCIAL REPORTING ENTITY:

Created by P.A. 210 of 1935 and continued by P.A. 15 of 1968, the Correctional Industries Revolving Fund accounts for the financial transactions of a manufacturing and processing industry, employing prisoners incarcerated in Michigan's correctional facilities. Public Act 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax-exempt organizations. Public Act 102 of 2007 further expanded the fund's sales market to include the authority to sell cut and sewn textiles to private companies and individuals.

Note #2

BASIS OF PRESENTATION:

Proprietary Fund Financial Statements – The Correctional Industries Revolving Fund is a governmental agency engaged in business-type activities. The financial statements present comparative information for years ended September 30, 2023, and 2024. The statements include all financial activity of Correctional Industries. The activities are financed primarily by fees charged for goods provided to customers. Such fees are classified as General Sales. Transfers represent internal sales of products within factories and are sold at factory cost. Miscellaneous revenues consist of revenues primarily for the sale of recyclable materials to vendors who purchase such items as scrap metal and cardboard, or the proceeds received from the sale of assets or vehicle auctions.

Note #3

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

Proprietary Funds, in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that Use Proprietary Fund Accounting, are required to apply applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with, or contradict, GASB pronouncements: Statements and Interpretations of Financial Accounting Standards Board (FASB); Accounting Principles Board Opinions; and Accounting Research Bulletins of the Committee on Accounting Procedure. In addition, an enterprise activity may apply all FASB statements and interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are presented in the Statement of Net Assets. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Note #4**INVENTORIES:**

Inventories consist of raw materials, work-in-process, and finished goods inventory. Inventories are recorded as assets when purchased and expensed when consumed.

MSI total inventories consisted of the following values:

	<u>2022-23</u>	<u>2023-24</u>
Raw Materials	\$ 5,736,465	\$ 6,208,577
Work-in-Process	\$ 0	\$ 0
Finished Goods	<u>\$ 3,161,083</u>	<u>\$ 2,600,498</u>
	\$ 8,897,547	\$ 8,809,075

Note #5**CASH AND INVESTMENTS:**

Cash on deposit is pooled with the State Treasurer and invested in pooled funds of all State Agencies. Interest earned from investments purchased with such pooled monies is deducted from the interest charges on the Correctional Industries Revolving Fund long term debt. See Note 7.

Note #6**CAPITAL ASSETS:**

Capital assets are reported at cost. The capitalization threshold is \$5,000 for Buildings & Building Improvements and Machinery & Equipment unless otherwise approved by the Business Office. Depreciation of such assets is charged as an expense against operations. These assets are depreciated over their useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings & Building Improvements	15 to 50 years
Machinery & Equipment	2 to 25 years

Property and equipment balances consist of the following:

	<u>2022-23</u>	<u>2023-24</u>
Buildings & Building Improvements:	\$ 14,657,785	\$ 14,657,785
Construction in Progress:	\$ 0	\$ 0
Machinery & Equipment:	\$ 9,933,195	\$ 10,101,221
Less Accumulated Depreciation:	<u>\$ (17,273,640)</u>	<u>\$ (17,709,846)</u>
Net Value:	\$ 7,317,340	\$ 7,049,160

Depreciation expense was \$436,205 and \$529,543 for the fiscal years ended September 30, 2024, and 2023 respectively.

Note #7
ADVANCES FROM THE GENERAL FUND:

Public Act 205 of 1986 stipulates that the fund repay the General Fund for the cost of building and equipping prison factories included as part of new prison construction. The costs of buildings and equipment are to be repaid over 30 years and 10 years respectively.

Total Advances from the General Fund as of September 30, 2024 and 2023 consisted of the following balances:

	<u>2022-2023</u>	<u>2023-2024</u>
Buildings	\$ 0	\$ 0
Equipment	\$ 0	\$ 0
Accrued Interest	<u>\$ 2,042,760</u>	<u>\$ 1,935,246</u>
	\$ 2,042,760	\$ 1,935,246

The building and equipment notes payable are components of the Boilerplate language of the Capital Outlay Bill. Interest is calculated by applying the prevailing rates of interest for Commercial Paper exchanged on major markets by the Department of Treasury. MSI made its last interest expense payment in September 2021. In September 2023, MSI began to make payments to their Interest Payable balance.

A statutorily required principal payment of \$37,523 was paid during fiscal year 2021. A minimum principal payment has been paid by MSI on the advance each fiscal year until the advance was paid in full in fiscal year 2022. MSI has completed the repayment of facility buildings and equipment as required in Executive Order 1992-13, along with the required interest payments.

Note #8
ACCOUNTS RECEIVABLE:

On September 30, 2024, MSI’s non-state agency accounts receivable balance totaled \$59,340. MSI uses the direct write off method for bad debt from uncollectible customer sales accounts. This method is used over the allowance method because bad debt accounts and subsequent write offs have been nominal for the previous five fiscal years.

Note #9
SELLING, ADMINISTRATIVE, AND MISCELLANEOUS EXPENSES:

Prior to fiscal year 2017, MSI did not allocate all selling and administrative expenses among the various factories (administrative burden). Effective fiscal year 2017, MSI began to allocate administrative expenses to the appropriate factories.

Note #10
USE OF ESTIMATES:

Preparation of financials statements in accordance with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions which affect the financial statements. Except for direct materials and direct labor, the operational cost is presented on a period basis as compared to a product of revenue. The financial statements presented fiscal years 2023 and 2024 contain no material or significant estimates or assumptions.

FY24 Net

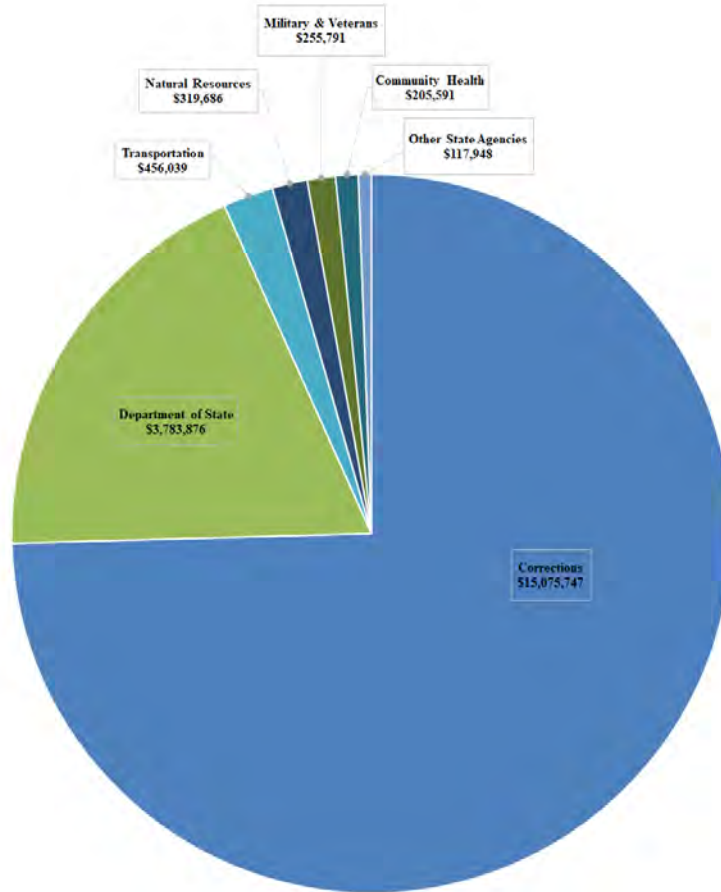
Operating Revenues

Michigan Department of Corrections
 Correctional Industries Revolving
 Fund Sales By Customer Type

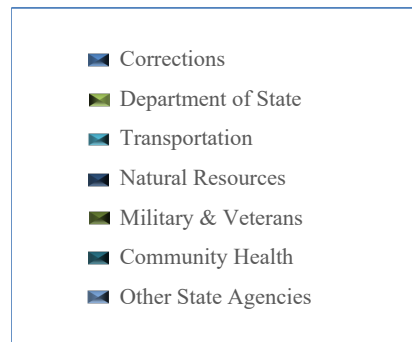
<u>NON-STATE AGENCIES</u>	<u>NET SALES</u>	<u>% OF TOTAL SALE</u>
Hospitals	\$0.00	0.00%
Private Industry Per Enabling Legislation	\$40.00	0.00%
Counties	\$341,412.13	1.64%
Associations	\$52,343.95	0.25%
Cities	\$67,050.93	0.32%
Out of State	\$152,669.63	0.73%
Public & Private Schools K-12	\$7,344.80	0.04%
Townships	\$13,311.24	0.06%
Churches	\$200.10	0.00%
SUBTOTAL	\$634,372.78	3.04%
<u>STATE AGENCIES</u>	<u>NET SALES</u>	<u>% OF TOTAL SALE</u>
Corrections	\$15,075,746.87	72.31%
Department of State Transportation	\$3,783,876.31	18.15%
Military & Veterans	\$456,039.32	2.19%
Community Health	\$255,790.78	1.23%
Natural Resources	\$205,590.74	0.99%
Agriculture	\$319,685.71	1.53%
DTMB	32,967.05	0.16%
State Police	\$31,291.73	0.15%
Environmental Quality	39,974.25	0.19%
LARA	\$0.00	0.00%
Education	\$888.15	0.00%
Treasury	108.75	0.00%
Universities & Colleges	0.00	0.00%
Michigan Lottery	\$1,463.29	0.01%
Misc. State Agencies	0.00	0.00%
SUBTOTAL	11,254.30	0.05%
TOTAL OPERATING REVENUES	\$20,214,677.25	96.96%
	\$20,849,050.03	100.00%

Fiscal Year 2024

State Agency Revenues



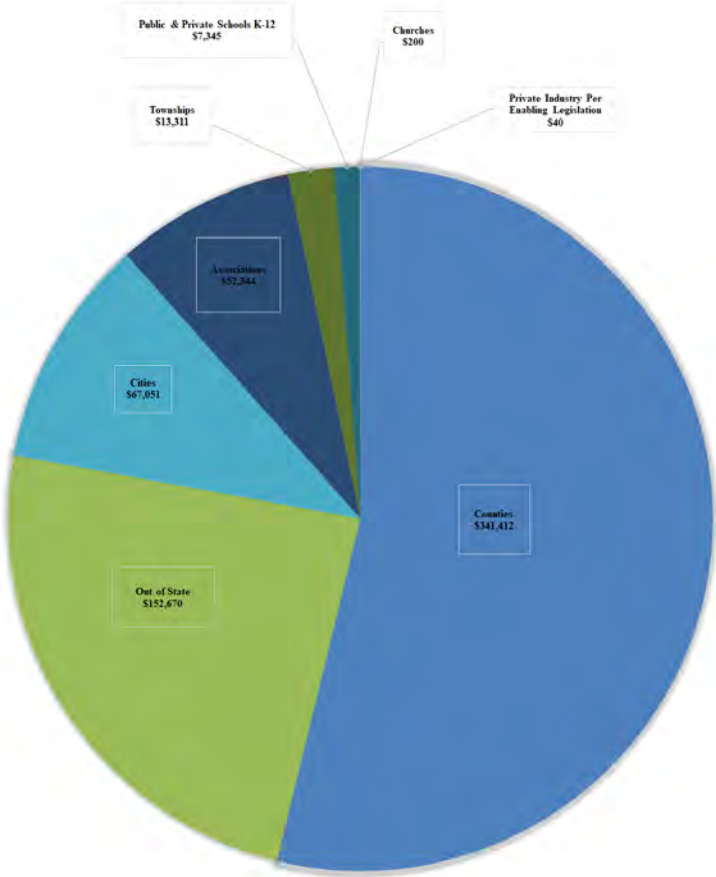
Total \$20,214,677



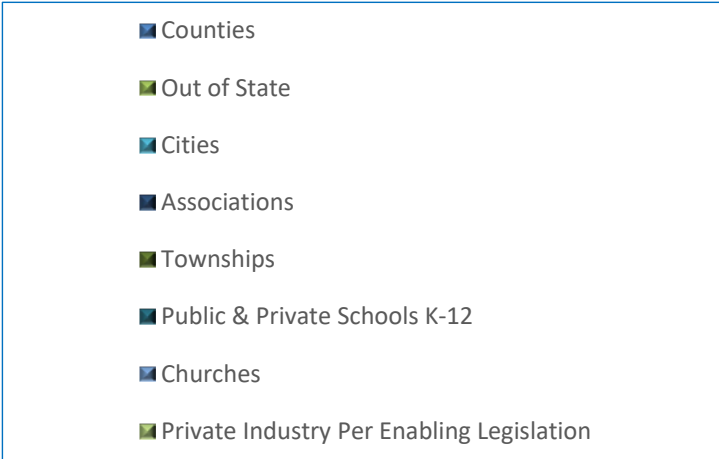
*Other State Agencies include: Agriculture, DYMB, State Police, LARA, Education, Universities & Colleges, and Misc. State Agencies.

Fiscal Year 2024

Non-State Agency Revenues



Total \$634,373



Comparative

Statement of Net Assets

ASSETS	<u>2024</u>	<u>2023</u>
Current Assets:		
Equity in state common cash	\$ 4,659,252.76	\$ 3,359,505.90
Accounts receivable	\$ 59,339.60	\$ 96,031.35
Inventories	\$ 8,809,074.77	\$ 8,897,547.16
Subtotal	<u>\$ 13,527,667.13</u>	<u>\$ 12,353,084.41</u>
Capital Assets:		
Buildings & equipment	\$ 24,759,006.21	\$ 24,590,980.43
Allowance for depreciation	\$ (17,709,845.87)	\$ (17,273,640.46)
Construction in Progress	\$ -	\$ -
Subtotal	<u>\$ 7,049,160.34</u>	<u>\$ 7,317,339.97</u>
TOTAL ASSETS	<u><u>\$ 20,576,827.47</u></u>	<u><u>\$ 19,670,424.38</u></u>
Deferred Outflow of Resources (Pension Related)	<u>\$ 1,649,644.60</u>	<u>\$ 2,266,253.61</u>
LIABILITIES		
Current Liabilities:		
Warrants outstanding	\$ 112.90	\$ 213,061.82
Disbursement Payable	\$ 130,280.90	\$ 256,212.59
Accounts payable	\$ 35,016.87	\$ 66,172.09
Amounts due to other funds	\$ 10,016.97	\$ -
Interest Payable	\$ 1,935,246.16	\$ 2,042,759.84
Current portion of long-term obligations	\$ 202,213.87	\$ 187,939.81
Total Current Liabilities	<u>\$ 2,312,887.67</u>	<u>\$ 2,766,146.15</u>
Long-Term Liabilities		
Advance from the general fund	\$ -	\$ -
Advances from other funds	\$ -	\$ -
Amounts due to other funds	\$ -	\$ -
Compensated absences- long term	\$ 107,835.02	\$ 106,698.93
Noncurrent portion of long-term obligations	\$ 6,510,132.00	\$ 9,631,228.00
Total Non-Current Liabilities	<u>\$ 6,617,967.02</u>	<u>\$ 9,737,926.93</u>
TOTAL LIABILITIES	<u><u>\$ 8,930,854.69</u></u>	<u><u>\$ 12,504,073.08</u></u>
Deferred Inflow of Resources (Pension Related)	<u>\$ 3,970,327.00</u>	<u>\$ 3,798,440.00</u>
NET ASSETS		
Investments in capital assets	\$ 7,049,160.34	\$ 7,683,485.35
Retained earnings	\$ (2,276,130.04)	\$ 1,683,175.06
TOTAL NET ASSETS	<u><u>\$ 9,325,290.38</u></u>	<u><u>\$ 6,000,310.29</u></u>

MSI Workers Learn Life-Skills Training for Reentry Success

By **Tujauna S. White**, Website, Communications, Sales, Michigan State Industries

MSI Garment Operations Superintendent **Wendy Skinner**, and Industries Production Leaders **Valerie Wireman**, and **Deon Hunt** run a very successful manufacturing operation located in Carson City, MI. They all work tirelessly to provide MDOC facilities statewide with products such as Officer Uniform Pants & Ties, ERT Uniforms, Transportation Uniforms, Modesty Vests, Prisoner Blues, Pajamas, Shorts, Mops and more. The production of all items requires skills that not only involve knowledge of winding a bobbin, threading a needle or making a seam, it also requires technical expertise in the use of an ERP software solution.

The following prisoner workers have taken on important roles in learning MSI's Global Shop Solutions ERP Software to enhance their skills in Scheduling, Shop Floor Data Collection, Quality, Inventory, and Shipping to ensure a successful reentry in society.



Mr. MacLellan, a 5-rate clerk in the manufacturing of officer uniform pants and part-time GSS clerk is scheduled to be paroled in November

2024. He has been employed with MSI garment operations for over 5 years with extensive knowledge in daily balancing, supply/demand, raw materials, work order scheduling, inventory and more. He is also known for his ability



to train other workers on the shop floor. In addition to these skills, he has acquired certifications in Digital Literacy and Money Smart applications.

After parole, Mr. MacLellan is confident that he can apply his skills with companies who offer returning citizens programs. He credits the garment operation for instilling not only technical skills, but soft skills such as work ethic, humility, and teamwork.



Mr. Cable, a main clerk and expert pattern maker is also known to most as the “GSS Guru”. He has been involved in every aspect of

manufacturing operations including hardware & software training, EMS equipment, CAD, supply requisitions, material handling, supply/demand, PO's, payroll, daily balancing, GSS dashboards, data entry, time studies, scanners, and so much more. Mr. Cable's training, experience, and knowledge in GSS Software will allow him to be an asset to any outside manufacturing operation that uses an ERP solution. He has been employed with the garment operation for over 5 years with a scheduled parole



in August 2025. In addition to the skills mentioned, he has also acquired certifications in Digital Literacy and Money Smart applications.

After parole, Mr.

Cable has plans to apply his training and talents within a manufacturing setting that also uses the software that he has become so successful at mastering. He also stated *“The benefits of working for MSI has offered me a career path that I did not know was possible and I am forever grateful for all that I have learned while working in the garment shop.”*



Mr. Sexton, a shipping and logistics clerk in the garment operation is scheduled for parole in late 2026.

He is a lead clerk with training and

experience in all aspects of GSS dashboard applications. The shipping process is one of the most vital parts any business that moves goods, and a well-managed shipping operation can have a significant impact on customer satisfaction and company reputation. Mr. Sexton ensures that accurate inventory is tracked successfully. His expert knowledge in the use of GMobile scanners allows on-time deliveries for the garment operations staged products. His ability to accurately monitor work order dashboards, supply/demand, inventory, new orders, open orders, order tracking & staging, data analytics and more will be valuable assets



to manufacturing operations. Mr. Sexton also has technical knowledge in computers, program coding, various software applications and

has completed certifications in Digital Literacy and Money Smart applications. After parole, Mr. Sexton has plans to join the Cummins Corporation, an engine manufacturer known to use GSS software in their manufacturing operations. He is looking forward to applying all that he has learned in reentering successfully back into society. Mr. Sexton credits MSI garment operations with instilling a great work ethic, accountability, and time-management into his daily routine.

In 2020, MSI took a significant step forward by beginning the installation of their Enterprise Resource Planning (ERP) system. As highlighted by Administrator Greg Dancer, *“This initiative is not only a strategic move to enhance the efficiency of MSI’s business operations, but also serves as an invaluable opportunity for our prisoner workforce to gain practical experience with ERP systems. This hands-on involvement equips workers with a crucial skill set that can be a major advantage in their professional development. One more tool for their tool belts to allow them to be successful upon release! This can really be a game changer, because most private sector workers don’t even have ERP experience. It will help set them apart from other candidates and allow them to secure future employment.”* ●

Teaching Someone Something After Not Knowing *-You Better Understand Their Excuse*

By **Christopher B. Stark** and **Tujauna S. White**, Website, Comcommunication, Sales Coordinator,
Michigan State Industries



Mr. Curtis White,
*MSI Janitorial Operations Manager
took a chance on me, and he saw the
value in me that I did not see in
myself.*

He pushed me to work hard in his factory, which in turn led me into becoming a Hi-Low tutor. By learning to want, more for myself gave me the initiative to go after two more skill trades. Tree trimming and CDL, which landed me another tutoring job with **Mr. Kegal Johnson**, teacher of the CDL class. Achieving these accomplishments, gave me a sense of value and self-worth and I realized that I am special.

I wrote this letter to you hoping you would let any-one of importance know that prison is not perfect but it works because of people like Mr. Curtis White. I do not know where I would be if I had not come across someone like him. Now I know I have some-thing to lose.

As mentioned in the beginning, some of us do not have it as good as we do in prison. It is good having someone who genuinely cares and goes beyond what is required like Mr. Curtis White. I wrote this hoping he deserves, for saving my life because with-out him who knows where I would be today.

Thank you for your time!

P.S. I'm leaving prison with a career; secured by **Kegal Johnson** of the CDL trade. My interview went great! I was hired within ten minutes! I'm thankful and blessed. •

Pennsylvania CI Tours Michigan State Industries Dental Lab

By: Mary Jane-Neill, MSI Dental Lab Supervisor, and Tujauna S. White, Michigan State Industries Website, Communication, Sales

MSI Dental welcomed the Pennsylvania Department of Corrections Dental Staff for a networking, and on site tour learning experience. Mary Jane Neill, MSI Dental Lab Manager at the Women's Huron Valley Correctional facility located in Ypsilanti, MI runs a very successful dental operation. Training in a dental lab setting is a comprehensive process that equips workers with valuable skills in the field of dental prosthetics. The curriculum is designed to cover a range of techniques, including the use of advanced systems for creating crowns, bridges, dentures, and other dental appliances. Mastery of these skills requires a strong foundation in dexterity to handle delicate materials and instruments effectively. Additionally, workers need to possess solid numeracy skills to accurately measure and calibrate components.

Attention to detail is paramount in this line of work, as even minor errors can affect the fit and functionality of the final product. Therefore, a keen eye for precision is necessary to ensure high-quality outcomes. The commitment of the prisoner workers is crucial, as becoming proficient in all aspects of dental lab work can be a time-intensive process, potentially taking up to five years.

Mary was elated to learn that PCI expressed an interest in visiting the operation and establishing their own dental lab after recognizing the inefficiencies and logistical challenges associated with outsourcing dental work to external vendors. Learning the process for taking the next step in implementing PCI's own dental lab would aim to streamline their operations and provide more timely and efficient dental care to those in their custody.

In preparation for this initiative, representatives from Pennsylvania DOC visited the MSI Dental Lab, as well as labs in Ohio, to gather insights and best practices. During their visit, Mary had the pleasure of assisting them by sharing information such as materials lists and equipment specifications, ensuring that they left with a comprehensive understanding of what is needed to set up their own lab facility.



The team from Pennsylvania DOC was a delightful group of professionals, and their visit was not only informative but also heartwarming. They brought along thoughtful gifts, including a beautiful birdhouse and a challenge coin from their Warden, which was a touching gesture. The stories they shared about their inmate-led initiatives to

assemble care packages for homeless veterans truly highlighted their compassion and dedication to making a positive impact, both inside and outside the correctional system.

Mary stated “We had a productive meeting where our line leads shared their work experiences, providing valuable insights to our guests. The setup allowed for a dynamic exchange of questions and answers, fostering a collaborative atmosphere.”

PCI guests included Lisa Graves, PA DOC Superintendent at SCI-Cambridge Springs, Anne Saint, PCI Director, Richard Gaul, PCI Assistant, Dinesh Patel, PA DOC Dentist, Brea Simmons, Registered Dental Hygienist, and Tonya Turner, Dental Assistant—all from SCI-Cambridge Springs.

As the visit concluded, there was a genuine exchange of gratitude and warmth, with promises to stay in touch and support each other as Pennsylvania DOC embarks on this new venture. Mary stated “I am truly grateful for the opportunity to contribute to such a meaningful project and look forward to seeing the positive outcomes of their efforts. Here’s to a successful collaboration and the establishment of an exemplary dental lab at Cambridge Springs!”

The MSI dental lab serves as both an educational platform and a workplace, providing workers hands-on experience while contributing to the production of essential dental prosthetics. This opportunity not only provides workers with a valuable skill set but also prepares them for potential employment in the dental industry upon their release.



MSI Dental Lab hosts PA Industries Staff for a tour of their manufacturing operations.



MICHIGAN STATE INDUSTRIES
Building Bridges to Success



John Davids

Class of
2024



MDOC welcomed the largest Officer Recruit Training Academy in almost a decade.

A total of 281 new students to the 2024 Fall Officer Recruit Training Academy. The academy has seen a 55% increase in enrolled recruits from the previous class that graduated, making it the largest recruit class since 2015. The Lower Peninsula John Davids Class began on Oct. 14, 2024, and welcomed 233 recruits. The Upper Peninsula John Davids Class began on Sep. 30 and welcomed 48 new recruits. The UP class was the largest northern region academy to graduate since 2016.



MSI Sales continues to work tirelessly with MDOC Recruitment in ensuring these officers are fitted, and in full uniform on DAY 1.

Sales Team



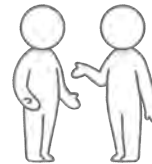
FY 2024



The MSI Sales Team has been very busy this year promoting MSI items, working with customers to create items that they would like, and meeting new potential customers. Most of these events encompass two days, so the sales staff have been away from home attending these events.



Tradeshows attended
New customers were added to GSS in 2024
Estimated sales from conferences, outreach, and referrals



Sales staff has been instrumental working with customers and factories to add new products, such as, Hi-Vis coats and t-shirts, hooded sweatshirts for officers, conference folders, and reworking the fabric and fit of our scrubs



Customer quotes were "WON" in 2024
Michigan County Sign Bids awarded
MSI Sales works tirelessly with MDOC Recruitment in ensuring new officers are fitted, and in full uniform on the first day of class (see separate story)



PATRIOT STORE- this year Pennie (Chippewa Garment) and company have created several items using scrap materials from the flag operation. We recently finished the routers and pricing for those items, and they are on the website. We will be sending the link to the VFW and American Legion as well.





MSI is self-funded and has maintained a positive cash balance since 2018



- Optical Laboratory is making a significant impact, not only within the correctional system but also across the state. These eyeglasses are tailored to meet the specific visual needs of inmates, providing clarity and comfort, whether they are participating in educational programs, work assignments, or simply navigating the daily routines of prison life. But the Optical Department’s expertise doesn't end with correctional facilities. They have also produced thousands of pairs of specialty eyewear for various individuals throughout the community, including those with specific medical conditions or visual impairments that require custom lenses
- Dental Laboratory used 2,072 anterior, 3,369 posterior teeth, processed 504 prosthetics and completed 141 repairs. In addition, MSI dental has been collaborating with Pennsylvania Correctional Industries to set up a lab of their own. (see separate story)
- Brooks Laundry and Metalworking washed/folded 2,050,377 pounds of laundry, Refurbished/Reinforced 3,745 Single Lockers and 36 Double Lockers, fabricated 1,210 Desks and 320 Wall Shelves, and Stripped/Finished 252 Signs
- Print Factory specializes in a variety of print services, this facility is responsible for producing everything from official documents to posters and informational materials used within the correctional system. Each year, the Print Factory creates hundreds of critical documents that are used by MDOC and other state agencies, ensuring that paperwork and correspondence are handled efficiently and professionally

Manufacturing

License Plate

Janitorial

Shoe



Sign



Mattress



Garment



- Factory Locations: Bellamy Creek, Gus Harrison, Cotton, Parnell, Chippewa, Carson City, Brooks, Huron Valley, and Ionia
- License Plate Factory produced 19,049 specialty products, 1,953,549 license plates, & introduced a new Green & White plate
- Ionia Garment employs 30% of the level 2 inmates at ICF. They made 648 American Flags and 144,737 white t-shirts
- Bellamy Creek Sign Shop produced 32,239 signs for DNR and 31,772 for MDOT. Shoe Factory manufactured 2,164 officer belts and 32,841 officer, prisoner, and orthopedic shoes.
- Carson City Garment Factory purchased 235,726 yards of materials, produced and shipped 11,941 officer pants, 34,418 inmate shorts, and 99,287 inmate uniforms
- Chippewa Garment used 22,346 yds of Supplex Material, produced 9,420 Prisoner State coats, 6,878 Officer Shirts, and 21, Prisoner knit hats
- Janitorial Factory has shipped over 12,880 5-gallon pails of laundry, auto, and manual detergents, floor cleaning and disinfectant products. Also, over 20,213 cases of Crème cleanser, Scum buster, degreaser, sealer, gloss coat, quarry tile, stainless steel cleaner and freezer cleaner and 14,791 cases of bar soap
- Mattress Factory produces functional and durable mattresses for various state correctional facilities, County Jails, DNR Campgrounds and Youth Homes. They also manufacture thousands of specialized jumpsuits, laundry bags, shower curtains, and pillows

Michigan State Industries



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www.michigan.gov/msi

Images-Building of the
Mackinac Bridge, Michigan
were provided by:
MDOT Photography Unit