From: Symmes, Brian <BrianSymmes@gov.sc.gov>
To: Adams, ChaneyChaneyAdams@gov.sc.gov
CC: Godfrey, RobRobGodfrey@gov.sc.gov
Date: 9/30/2015 12:55:34 PM
Subject: Re: For Approval

ASAP

Sent from my iPhone

On Sep 30, 2015, at 12:45 PM, Adams, Chaney <ChaneyAdams@gov.sc.gov> wrote:

> What is Tim's deadline?
>
> On Sep 30, 2015, at 12:34 PM, Symmes, Brian <BrianSymmes@gov.sc.gov> wrote:
>
>> Tim smith is writing a follow up story on PI. questions and answers are below.
>>
>> I think the info they've provided is good stuff.
>>
>> Sent from my iPhone
>>
>> Begin forwarded message:
>>
>>> From: "Stephanie Givens (C055503)" <Givens.Stephanie@doc.sc.gov>
>>> Date: September 30, 2015 at 10:43:55 AM EDT
>>> To: "Symmes, Brian" <BrianSymmes@gov.sc.gov>
>>> Subject: For Approval
>>
>>> Brian,
>>>
>>> Tim Smith has a few follow up questions about PI. Please see the proposed question and our answer.
>>>
>>> Tim's email to me:
>>> Stephanie,
>>>
>>> On that point, this story is focusing mostly on the handout you all gave me last week on the financials for the three programs.
>>> In addition to the question I sent to you Friday, I think, about other private firms in the service program, I wanted to ask about the various accounts - my word - in the service and PIE programs that ended the year with a net loss. I was wondering how that works. Is there something in the contract that if a company's operations are not generating enough money that they do not have to pay the full cost of using SCDC? Or is this more about bookkeeping, that when you all calculate your full costs, in some cases they are covered and in others they aren't. Just trying to understand how this develops and whether firms must pay the net loss the following year.

A broad explanation:
The programs that show a loss on the agency income sheets have a positive gain to the agency when the entire return to the agency is calculated. The funds for Room and Board, the money gained in the Commissary from inmate wages, and funds for Family Support and Victim restitution far outweigh the loss shown on the income statement. There is also an officer cost (supervision) that is allocated across the board to the programs. This officer cost would be incurred by the agency regardless of whether or not the inmates were working for the company or sitting in their cells. Therefore, the return of this officer expense by the company is also beneficial to the agency offsetting the cost of security.

There is no calculation for cost avoidance in reference to inmate productivity, however, the institutions have long known that a working inmate causes less financial, medical, and social problems in an institution. In addition, the inmates learn valuable skills which translate into jobs once released. The cost savings from these programs just in training are quite large when compared to private training costs that would be needed (once the inmate was released) if these programs did not exist.

Should an industry be found not having a full return to the agency, the industry is reviewed and either restructured or terminated. SC Department of Corrections strives to develop strong industries that return positive results to the inmate, public, agency and state.

Give me a call with any questions.

Stephanie Givens
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