

Management Council Meeting Minutes



MCE Management Council

September 14, 2021 @ 10:30 am

Attending: Danielle Cox, Dave Jenkins, Fred Mason, Judge Lisa Broten, Juliana Palmer, Mark Rowley, Melvin Forbes, Stephen Sanders, Ashley Lohr and Tyrese Jackson

MCE CEO Update – Stephen Sanders

- Our unaudited FY 21' financial statements show that our revenue is \$50.1 million vs \$55.8 million in FY 20' (decrease of 10%). MCE is doing very well
- Our unaudited FY 21' profits \$700K vs \$78 in FY 20'.
- Our financial auditors are working to complete the FY 21' audit by October 1st deadline.
- We anticipate receiving another unqualified opinion on our financial statements.
- Current YTD Sales-\$8.3 million vs \$11.7 million same time last year September
- Current Open Orders- \$11.7 million
- YTD Incoming Sales - \$8.9 million
- Website Sales \$188k vs \$364k last year
- ERP- Our Go-live date has been pushed back to November to allow for infrastructure updates.
- Phase 1 of the ERP project continues to be a main focus of ours
- Another major IT project is the upgrade of our infrastructure by providing fiber optics to those plants that do not have it. This will allow us to fully implement a new ERP in all of our plants
- Operationally we have all 26 business units up and running.
- Unfortunately, we have discontinued our production line of hand sanitizer. Due to the lack of demand of this product and overstock of similar items on the market.
- As of September 1st, we are happy to report that we have 881 inmate program participants participating in our program.58.7% of our target goal
- Approximately 90% of our program participants are vaccinated
- We continue to have COVID meetings 3 days a week. These meetings are conducted by Secretary Green and DPSCS Executive team.
- Our vacancy rate remains above 20%. With 14 candidates in background and we hope to see improvements in this area shortly.
- We have a meeting on Thursday with the Legislative Black Caucus of Maryland to discuss MCE operations and our mission. We have prepared a power point presentation in addition to representatives from DPSCS, Reentry Services and the Department of Labor
- We are participating in an upcoming presentation for the Justice Reinvestment and Oversight Board and the USA procurement groups
- We continue to look for options for increasing participant compensation
- We are looking reinstating the employee bonus program for MCE mandated staff who have not received hazard pay and are not eligible for retention bonuses. We hope that this encourages retention.
- We are working with the office of data development to have updated recidivism rates by the end of the year
- Our virtual C.A.R.E.S class will graduate on September 22nd. We are looking for options to expand this program.

- MCE Management Council reports and Annual reports are under review by DPSCS governmental affairs office and will be submitted prior to the October 1st deadline.
- We are awaiting HR approval to expand our P.I.E. program with Furniture Manufacturing program in Hagerstown.
- That concludes my report- Any questions from the group.
 - Melvin Forbes- Attended a dinner and was approached by Senator Joann Benson and the Chairmen of the Black Caucus Darryl Barnes about attending a meeting on Thursday. I would like to attend future meetings.

Concerns Survey- Dave Jenkins

- Concerns Survey will start next week. This will be a hybrid model with in person distribution
- The survey will be given to randomly selected inmates
- Cumberland and the Eastern Shore will do this electronically
- We will compare last year's names to this years selected names to make sure we don't inadvertently select the same name.
- Some concerns that some participants have answered the same questions as before and this should resolve that issue
 - Fred Mason- Will the survey include questions specifically related to COVID response, PPE or is that captured in the response regarding workplace safety?
 - Dave Jenkins-This will come up under the mandated questions regarding health and sanitation in the plant. There is a numeric rating and a comment section If there is concern. We haven't added a question specifically about COVID. Once we report out our results we include that as an item. As an organization, we have been careful about this. Of course we want to hear from the inmate work force about this

DLLR- Danielle Cox

- All schools are back in session and of course, we are social distancing and wearing PPE. We are only seeing our students once a week.
- We are sending work packets, proxy work based on what they learned that day which will be graded by the teachers.
- The CEC (Correctional Education Council) approved the legislation to move from the mandatory 100 days to 240 days. This will begin October 1st. We are in talks with DPSCS case management about how this will work.
- Christina Spar has been re-classed and will oversee and take control of MTC (Metropolitan Transition Center) as the principal. She is an Administrator who is Special Ed certified. MTC will be its own school. BCCC and OSTC will have a separate principal.
- We are beginning an entrepreneurship-training program within the pre-releases. With the support and help of Leslie Wilson and Enoch Pratt Library. They have given us a lot of their training material to use as our own. At the end of this program they will learn how to set up their own business. They will come up with a model to be a participate in a mock Shark tank. Secretary Green is excited to be one of the judges for this.
- We are prepared for the Black Caucus meeting on Thursday. We had a meeting with DPSCS and we submitted a presentation.

- We have 400 tablets on their way. Our RFP finally went through and signed. We are currently in the process of hiring someone to oversee it all that will be based at the Baltimore location. This person will be in charge of going out to the schools for training. We have purchased software used for our transition, reentry, and occupational testing through NCCR and ASC. We are excited to get those out.
- Big thanks to DPSCS for the help and support in making this happen
- We have 2 companies going out to give us quotes on the cellular extenders to enhance the signals going to the tablets at the schools

MSDE-Fred Mason

- The school systems are in mist of preparing budget request for fiscal 2023. Those should be available in October. This should give an idea of what projects are in the pipeline. We will be in need of furniture
- Projects from the built to learn act are gearing up. This will provide an opportunity for a relationship with the Maryland Stadium Authority in terms of guiding the purchasing of furniture and equipment.
- As of this week all school are in session. Let's hope it stays that way

GOCCP - Juliana Palmer- Replacing Daniel Atzmon

- Thanks for having me here. I've been with the office for 2 months now
- Born and raised in Maryland. Went to Salisbury University for undergraduate, attended American University for my Masters
- I have experience relevant to my current position when I served as Director of Family Program for Charles County Court.
- Prior experience working with the International Association of the Chief of Police working on various training programs and initiatives.
- \$1 million grant for A Pre-trial Service was launched on Friday.
- If you ever have any questions regarding grant funding, please reach out to me via email or via phone

C.A.R.E.S update- Dave Jenkins (Janet Lane)

- Coordinate reentry services for those that receive early release.
- We are looking to expand the C.A.R.E.S. program in the Jessup area. A needs assessment will be done at MCIJ and MCIW.
- The C.A.R.E.S program will be a part of a presentation to the Justice Reinvestment Board.
- Our community partner in Hagerstown is the recipient of a major award by the Catholic Church. He will be receiving that recognition.

Melvin Forbes-No comment at this time

Judge Lisa Broten

- Very pleased to report all courts are back up and running at full service
- Precautions are being taken with use of PPE and plexi-glass installed in almost every courtroom.
- The CDS tracker is being tracked to determine the indoor mask wearing based on the level of community transmission.
- Our Chief Judge Mariana Barbara has retired and will be replaced by Judge Joseph Getter.

Open Forum

Dave Jenkins

- Danielle -What is the status of legislation that would award additional days with the completion of vocational training? My concern is that MCE operates a qualified training program, which is a registered apprenticeship program with DLLR. I would hope this incentive would apply to these participants.
 - Danielle Cox – we will look into this
- Historically we have conducted a new member orientation and plant tour. We would certainly like to get back to this after COVID.
- Next Meeting will be December 14. We will continue to meet virtually.

Meeting Adjourned at 12:00 PM

Management Council Meeting Notes

3-15-22

Meeting called to order at 10:00 AM

Attendees: Danielle j. Cox, Jack Weber, Janay Harris (for Janell Johnson), Juliana Palmer, Mark Rowley, Melvin Forbes, Stephen Sanders, Tom Hickey, Janet Lane, Ashley Lohr, and Anne Klase

Ashley Lohr: Welcome

- David Jenkins has retired – we wish him well and thank him for all he has done for MCE Reentry and the Council. New Director, Jim Cluster 30+ year employee will be taking over Council duties after the June meeting.

Stephen Sanders: CEO Update

- Pleased with where we are coming out of the pandemic.
- FY'22 YTD Sales \$25.6 million vs \$27.8, million in FY'21 a decrease of \$2.2 million or 8%.
- Year to date profit is \$189,000 or 1%.
- Looking back, working through difficult conditions over the past two years, MCE was profitable.
- FY 2020: we reported a profit of \$78,367 or .14% on total sales of \$55.3 million
- FY 2021: we reported a profit of \$327,463 or .65% on total sales of \$50.2 million
- MCE has exceeded its MFR goal of \$50 million in sales since 2008.
- Open Orders are \$13.8 million
- There are no shop closures and no COVID cases within MCE.
- In fact, as of Monday, March 14, 2022, there were only 16 COVID positive cases reported across DPSCS:
 - DPSCS employees: 8
 - Inmates: 6
 - Medical contractors: 2
 - With no hospitalizations.
- Nearing 1,000 participants -our immediate target is to have 1000 incarcerated individuals participating in our program by next month and our goal is to return to 1500 program participants in the foreseeable future based on COVID conditions, incoming sales and staff coverage.
- All incarcerated individuals participating in our program must be vaccinated.
- Our civilian staff vacancy rate is approximately 29% but we have several interviews scheduled, and we have potential candidates in the background progress
- We are sending a team of managers to the National Correctional Industries Association training conference in April where correctional industry professionals from across the US will meet to network and learn about the latest trends, practices, and products in the field.

- MCE continues to face challenges related to the pandemic such as supply chain issues and increasing costs. Our team continues to work together to mitigate these challenges.
- We anticipate finishing the year strong. Among the many deliveries we have scheduled for the 4th quarter we have the following capital projects:
 - 1) Univ. of Md. College Park (South Dorm) \$1.2 million
 - 2) UMES \$1.5 million
 - 3) Univ. of Md. College Park (Public Policy) \$1.5 million
 - 4) Garrett College \$193K
 - 5) Military Department (Adelphi Readiness Center \$193K
- Since the beginning of the pandemic when MCE repurposed its assembly units to produce PPE and Hand Sanitizer, MCE has produced in excess of:
 - 332,000 hospital gowns, face shields and face masks
 - 58,000 COVID decals and signs
 - 24 communication booths
 - 4,073 vinyl barriers and plexiglass sneeze guards
 - Totaling over 394,000 units of PPE and
 - 6,846 cases or 90,292 bottles of hand sanitizer.
 -

Ashley Lohr: Legislative Update

- Several bills impacting MCE:
 - HB1245 (SB0964) Correctional Services - Inmates - Labor, Job Training, and Educational Courses
 - HB1352 - Health and Wellness Standards – Correctional Facilities
 - SB0248 (HB0450) - Minority Business Enterprises – Calculation of Participation Rates – Procurements From Maryland Correctional Enterprises
 - SB0872 - Procurement – University System of Maryland, Morgan State University, St. Mary’s College of Maryland, and Baltimore City Community College
 - HB094 - State Vehicle Fleet - Conversion to Zero-Emission Passenger Cars and Other Light-Duty Vehicles
 - HB0325 (SB0250) – State and Local Procurement – Payment Practices
 - HB1226 - Environment - Office of Recycling - Mattress Stewardship Program - Establishment

Ashley Lohr: Catalog, Customer Service and PIE Update

- FY23 Catalog is in production and will be submitted to DGS; we have had several price increases due to high inflation seen across the globe. Once list is finalized, we will share this with the Council.
- Customer Survey Results were positive – most customers rank us Good or Excellent. We are always looking for more participation, so spread the word

- Tom Hickey recommended we add follow up questions to survey about any negative experience.
- Current electrical PIE program is expanding to welding and painting.
- New PIE Program starting in April with a Hagerstown-based furniture company. Four more participants are being brought on board bringing total to eight participants.
 - Jack Weber noted that he would like to expand opportunities with our PIE partners
 - Jack also noted he would like to look at the sales reports (this was shared with members after the meeting) and see where we were in regards to participant stipends.
 - Stephen noted we are working to be in the top and in addition to stipends offer 4 months off of sentences for each year of participation
 - Mark noted we are in the process of completing a study on stipend practices. He also noted MCE participants do not pay taxes or any further deductions. If a civilian makes \$18 per hour, they have approximately \$100 to spend as discretionary income at the end of the month after paying for living expenses. Incarcerated individuals in MCE programming are averaging higher discretionary income.
 - The Council noted that this was valuable information to have to discuss with those that do not support our mission. They also requested additional mission-based literature.
 - It was noted that victims of crime should be considered in policy making as well.

Council Members: Recommendations, Comments and Concerns

- Janet Lane – CARES Update
 - CARES is moving forward and expanding
 - Success stories to be featured in NCIA article
 - CARES classes started at MCIW 3/14 in conjunction with Labor programming
 - We will be starting a mentorship program this summer
 - Working with 26 juvenile lifers that may be released
 - Hiring partners
 - Cavanaugh House
 - Reentry Fair
 - Re-Form
- Juliana Palmer – GOOCP
 - FY23 grant funding is available and will launch next month
 - Officially sworn in as a member
- Danielle Cox – Labor
 - 85 GEDs achieved – impressive number given programming closures
 - 923 tablets are on their way
 - Hosting reentry symposium this fall
- Jack Weber – Uptown Press
 - Business is chaotic given constant supply chain issues

- Transitional house is operational and open to referrals
- Janay Harris – Vehicles for Change
 - Working w/ Lt. Governor on new initiative
- Tom Hickey – USM
 - Budget cuts have been restored - \$383 million
 - USM did not support SB872
- Anne Klase – Comptroller
 - In tax season – looking forward to touring MCE

Thanks to the Council for their continued support. Meeting adjourned at 11:05 AM by Ashley Lohr

Maryland Correctional Enterprises

Location: Virtual

Date: June 14, 2022

Time: 10:00am

Attendees:

Stephen Sanders	Ashley Lohr	Mark Rowley	Nicole Copeland
Adam Cummings	Janet Lane	Fred Mason	Janay Harris
Phil Morgan	Danielle Cox	Thomas Hickey	Melvin Forbes
Juliana Palmer			

[Meeting Commences at 10:01AM](#)

[CEO Update - Stephen Sanders](#)

- For FY22 our YTD sales are 44.9 million compared to 46.3 million FY21 - 1.4 million decrease YTD or 3%.
- For FY22 we have a profit of 400k or 1%.
- Open orders sit at 13.5 million.
- All shops are up and running. No closures.
- We have 1 active COVID-19 case for MCE.
- As of June 10th, DPSCS has 93 active cases, 24 active cases for inmates, 4 active cases for medical contractors, and 0 active cases for outside contractors.
- Currently there are no hospitalizations due to COVID-19.
- As of June 1st, we have 1004 participants on payroll.
- We currently sit at 52 vacancies, with a vacancy rate of 28.6%.
 - Several interviews have been scheduled.

- 1 pending retirement, 6 pending start dates (2 internal promotions), 21 candidates in background (2 contractual, 17 external, and 4 internal).
- The Managing for Results Seminar will be held tomorrow, June 15, 2022.
- Due to cost increases, our profit margins have diminished from the goal of 3% to 1%.
 - On July 1st, we will implement price increases as a result of increasing raw materials.
- We have been adjusting prices on a regular basis due to aluminum, license plate sheeting and registration renewal products on an as needed basis. We are now looking at yet another increase for aluminum.
- Our IT Department continues to work towards the go live of Global Shop ERP, which is scheduled in the first quarter of FY23.
- Welcome new hire Adam Cummings as Executive Assistant.
- Ashley Lohr is now the Director of the MCE Management Council.

Catalog Review - Nicole Copeland

- Marketing has undergone some changes this year that have been positive.
- Starting in October of 2021, audits have been conducted on our catalog, in anticipation of changes coming in FY23.
- COVID-19, inflation, and supply chain issues have caused price changes, as we see costs for components of our products to rise. (Metal, cardboard, envelopes, tables, seating, etc...)
- 149 Products have been removed from the catalog due to poor performance or discontinuation from suppliers. (Seating, lockers, tables, signage, graphics, and promotional items).
- The New Products Committee has been started again. Great opportunity for our partners to suggest new products to add to our catalog.
- By FY24 we plan on adding new products to the catalog.

Participant Stipends - Mark Rowley

- Legislation was aimed at MCE to implement minimum wage to our participants.
- We opposed bill, but have conducted a 6-month study on inmate compensation.
 - The study has pointed to us changing back to daily rates of pay, instead of hourly rates.
- The new scale based system will include increases, and be based on longevity within MCE.
- Due to inflation and needing approval from D.O.C. this is still in the preliminary stages.
 - Expectation is that this increase will cost an additional 250k.

Question by Janet Lane: “It makes sense, but what happens with overtime?”

Answer by Mark Rowley: “We still pay overtime, but as we are in the preliminary stages, we are still working it out a formula to account for overtime.”

Private Sector Analysis - Ashley Lohr

- MCE only accounts for 0.20% of the manufacturing sector for the state of Maryland.
- MCE has little impact on manufacturing employment in the state of Maryland.
 - MCE accounts for 0.76% of employees in Maryland.
- None of our individual manufacturing entities account for even 1% total share in Maryland.
- According to the Bureau of Labor Statistics - 40% of available of manufacturing jobs remain vacant we are no displacing employees.
 - There are opportunities for our participant’s post-release in the manufacturing sector.

Reentry Update - Janet Lane

- MCIW had its first two female CARES graduates on June 3rd.
- 16 women at MCIW completed a money management course.
- 13 women at MCIW completed a relationships course.
- Mentoring classes are set to begin this summer. They are a half day class with a certificate.
 - This was suggested by a participant who wanted to recognize a coworker on his mentorship to him.
- Currently in the works is getting CARES classes at MCIJ. Furthermore, it would be ideal to add a virtual component, which would allow more classes to occur across the facilities.
- On May 18th 4 men graduated from Goucher University.
- On June 21st 19 (current and former MCE participants) men will graduate from peer recovery specialist training.
- Janet is working on expanding companies willing to hire formerly incarcerated individuals; she has toured places of employment such as Atlas Container Shop in Severn, MD and Iron Mark Printing in Annapolis, MD.
- Currently working on streamlining bank account processes with Truist Bank for participants.
 - Working on a paper application for DOC staff that isn't too involved.
- There is a new transition house in Hagerstown that is offering workshop development
- DPSCS, Dept. of Labor, and Maryland Workforce Exchange are working towards making tablets available to for pre-release incarcerated individuals.
- A partnership is forming with Sharp Dressed Man, a non-profit suit provider, to have MCE work on tailoring outfits.
- From April through June 49 participants will be released, and we were able to help 26 of them.
- There is a sorority that wants to assist MCE in some manner.
- There will be a Webinar on the business of food next week, June 22nd.

- We have someone who was on work release out of ECI. We were able to get them an interview at a company that does food research, and they've never hired a previously incarcerated individual before. He got the job and receives high praise doing facility management. He wasn't even released and he completely blew away the competition.

Question by Fred Mason: Are people getting work faster with the job market looking more opportunistic?

Answer by Janet Lane: Yes, it is happening much quicker. Employers are having trouble maintaining staff. Our shops train people to be more professional and prepared for the interview process. This shows with our participants who are with us for more than just a few months, it takes time. Offers come more quickly with the soft skills that are being developed within the shops.

Answer by Stephen Sanders: Also, if you have been able to go on the tours of the shops and talk to our people, you really can see the difference our programming makes. They are able to articulate their job, present themselves as employable, and are knowledgeable and passionate.

Review of Recommendations - Council

Ashley Lohr:

- We would like to continue to follow the goal of recommendation 1: Investigate the Justice Reinvestment Act (JRA). Furthermore, we would like to revise it to include continuation of reentry efforts through an expansion of an apprenticeship program which will allow us to expand into different fields to get outside certifications.
 - This includes hiring a Research and Development Specialist.
- The second recommendation is to maintain the prior goal of last year; to continue to expand and enhance the PIE program.
 - This year we have a new partner in Beachly Furniture which has brought our participant counts up to 12 from 8 in MCIH.
- The third recommendation is to continue to improve and expand programming to improve financial literacy. This is a continuation of the previous years' goal.
 - MCE began hosting classes in financial literacy this year.

- The last recommendation is to expand the CARES program. The goal is to have it at MCIJ.
- This recommendation will also include reviewing and updating CARES curriculum with EBP in facilities where CARES already exists (MCIH & MCIW).

Question by Thomas Hickey: “When will we be voting on these recommendation?”

Answer by Ashley Lohr: “We will be sending out voting virtually for these recommendations.”

Management Council Member Report - Council Members

Danielle Cox (Department of Labor):

- There have been a lot of shut downs in Hagerstown facilities, due to officer shortage.
 - School is being impacted - classes only 2-3 days a week.
- Packets are being provided during times when classes are shut down, but it is not sufficient. Providing packets but it is impacting GED and courses.
- Cellular extenders are stuck in procurement.
 - 250 tablets have been provided, but there are still 400-500 outstanding. Need stronger cellular strength in facilities to account for this.
- Testing for occupational certificates have halted due to firewall issues. This is being worked on to get back to testing.

Question by Janet Lane: “Are incarcerated individuals receiving training on how to use a tablet?”

Answer by Danielle Cox: “Teachers have been trained on how to train the incarcerated individuals.”

Fred Mason (Department of Education):

- School construction for funding FY23 has been finalized.
- State funding can now be used towards furniture, fixtures, and equipment.
- School systems are encouraged to do more business with MCE.

Juliana Palmer (Governor's Office of Crime Prevention, Youth, and Victim Services):

- Not much to add at this time. Was on maternity leave and just returning.
- Reviewing FY22 applications for reentry and how to collaborate with MCE.

Melvin Forbes (Wilkerson's Sports Enterprise):

- Supply chain issues are hurting everyone, especially the private industry.
- Thanks MCE for dealing with all of the different challenges we face.

Question by Melvin Forbes: With costs rising (e.g. gas), what impact does that have on MCE in procuring raw materials for projects? How does it affect our bottom line? Can we amend projects to increase cost on the other end?

Answer by Mark Rowley: We've seen costs increases across the board.

Answer by Ashley Lohr: Projects that have been previously quoted, we cannot go back on. We have increased prices with DGS, for example. We have seen some specialty changes for catalog items. July 1st we will see more adjustments.

Answer by Stephen Sanders: We have seen much longer lead times and temporary products that are unavailable, quantity or otherwise. It has been manageable but not easy.

Phil Morgan (Deputy Commissioner of DOC):

- The tour with DGS went extremely well and it was nice to see the pride that participants and MCE employees have in their work.

Thomas Hickey (University System of Maryland):

- Currently working with Ashley for tour with USM procurement scheduled for September 15.
- Tour participants need state IDs; they typically have student IDs.
 - Ashley is working on that and will be sending out background information next month (July).
- University System is sponsoring the Governors Small Business Summit with DOT/DGS.

- If interested in attending it is on October 31st at Turf Valley in Ellicott City, with a small registration fee. It is meant for MBEs and they are provided training and other information.
- On May 11th there was an approval of Spring Grove Hospital being transferred to UMBC.

[Meeting Concluded at 10:50AM](#)

Upcoming Events:

Management Council Meeting: September 13, 2022

Annual Business Luncheon: September 30, 2022