



# COLORADO

Department of Corrections

*Priority: R-10  
Offender Clothing Inflation  
FY 2014-15 CHANGE REQUEST*

## *Cost and FTE*

- The Department is requesting a General Fund operating increase of \$220,486 in FY 2014-15 and ongoing to address a 56% average inflationary increase in raw materials for manufacturing offender clothing. This is a 6.3% increase in the Laundry Operating Expenses line item and a 13.2% increase in the Superintendents Dress Out line.

## *Current Program*

- The Department is responsible to clothe 17,379 offenders (as of June 30, 2013) and provide clothing when an offender is released into the community. In FY 2012-13 the Department released over 10,500 offenders that required dress out clothing.
- The Department also provides clothing to offenders housed in the private prison facilities.
- All offender clothing is manufactured through Colorado Correctional Industries programs at Limon and Denver Women's Correctional Facilities. These programs employ approximately 185 offenders.

## *Problem or Opportunity*

- Correctional Industry's cost of goods sold for manufacturing offender clothing is outpacing revenue due to the textile inflationary cost increases. As a result, they will need to increase prices to DOC for the first time since 2006.
- In 2006, the raw material cost for a pair of men's large green pants was \$4.78; the raw material cost is now \$8.08, a 69% increase.
- In FY 2005-06 the Department released approximately 8,952 offenders, which is 17% fewer (1,554) than those released in FY 2012-13. Over the last two years, numbers of releases have remained flat, (2012: 10,657 releases; 2013: 10,506 releases). However, increases in releases since 2006 coupled with the 56% average increase in textiles during the same time period has created a funding gap.

## *Consequences of Problem*

- The Superintendent Dress Out line funds dress out clothing, as well as bus tickets and release money for releasing offenders. The clothing cost increases threaten to crowd out statutorily mandated funding to provide a bus ticket within Colorado and \$100 release funds.
- In addition, the Laundry Operating Expenses line will have insufficient funding available for required services (clothing, bedding, laundry supplies, maintenance, and purchasing of replacement equipment) for the offenders within the correctional environment.

## *Proposed Solution*

- Increase funding for the Superintendent Dress Out line for released offender clothing, and the Laundry Operating line for offender clothing and coats. The increase would sufficiently cover the increased raw material costs for a viable and self-sustaining program.

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***FY 2014-15 CHANGE REQUEST***  
***Priority: R-10 Offender Clothing Inflation***  
***Request Detail***

***Problem or Opportunity:***

The Department is responsible to clothe 17,379 offenders (as of June 30, 2013) and provide suitable clothing when an offender is released into the community (Section 17-22.5-202, C.R.S.). In FY 2012-13 the Department released over 10,500 offenders that required dress out clothing. The expense for dress out clothing is funded through the Superintendents Subprogram Dress Out line that also pays for bus transportation and provides \$100 release money for each offender (first release only). The expense of the offender's daily clothing while incarcerated (including private prison offenders) is funded through the Laundry Subprogram Operating Expenses line item.

The green twill is used for the clothing that offenders wear daily, and brown duck and flannel are used in manufacturing the offender's coats worn at the facility. Raw textile prices have increased by an average of 56% since 2006 due to increases in cotton and petroleum. DOC has not received any increases in funding for either the Superintendents Dress Out or the Laundry Operating Expense program lines for inflationary increases in raw material costs even though the costs have increased an average of 56%. The dress out clothing and work coat pricing to DOC has not changed since January 2006 regardless of the changes and increases in any raw textile pricing. For example in 2006, raw material cost for a pair of men's large green pants was \$4.78; the raw material cost is now \$8.08, a 69% increase. Table 1 in the Appendix provides detailed information on cost increases for raw materials, and Tables 2 and 3 provide detailed pricing information for Superintendents Dress Out clothing and Laundry Operating clothing (daily clothing and coats), respectively.

In FY 2005-06 the Department released approximately 8,952 offenders, which is 17% fewer (1,554) than those released in FY 2012-13. Over the last two years, numbers of releases have remained flat: 2012 was 10,657 releases and 2013 was 10,507 releases. However, the increase in releases since 2006 coupled with the 56% average increase in textiles during the same time period has created a funding gap.

Clothing prices vary based on the size and type of garment. The weighted average pricing for a man's standard issue pair of green pants is \$9.72 and a green shirt is \$7.51. In FY 2012-13 new admissions totaled 9,576, which required issuance of standard clothing. Each new admission receives three shirts and pants, five sets of undergarments including socks, one pair of work boots, one work jacket, and one knit cap. For efficiency, the Laundry program utilizes and reissues used clothing for new admissions, as the program is not funded for enough new clothing for each new admission and replacing clothing for existing offenders.

In FY 2012-13 the Laundry Operating Expense line was appropriated \$2,090,596 General Fund, and \$1,451,482 was spent for all offender clothing which was 69.4% of the total budget. In FY 2013-14, the Laundry Operating Expense line was appropriated \$2,073,282 General Fund. In addition to offender clothing, the Laundry Operating line funds the expense of offender bedding (projected cost for FY 2013-14

is \$149,000), laundry supplies including soap (projected cost for FY 2013-14 is \$351,000), maintenance and repairs on the equipment, and new purchases of equipment. Laundry equipment (washers and dryers, for example) is currently on a 15 year replacement schedule. For the 15 facilities that have laundry services, DOC has a total of 137 washers, 157 dryers, five ironers, and one folder. The average dryer pricing ranges from \$7,000 to \$9,000 and the washers range from \$8,000 to \$18,000 depending upon the capacity requirements for facility caseload. Since 2007 there have been 28 washers replaced and 21 dryers. DOC is scheduled to replace ten dryers and two washers for an estimated cost of \$92,500 in FY 2013-14 and projects a similar annual expense for FY 2014-15 and ongoing. If the program does not receive the requested increase for offender clothing due to inflationary costs increases, the equipment will not be replaced as currently scheduled in future years as the funding will be used to pay for the purchase of offender clothing. Deferring the purchase of scheduled replacement of equipment will require more equipment to be replaced in subsequent years and increase the cost for repairs.

Offender clothing is manufactured at Limon, Fremont, and Denver Women's Correctional Facilities through Colorado Correctional Industries (CCi) programs. These programs employ approximately 185 offenders trained in the trade of garment production. The program is responsible for the supervision, training, labor costs, staff wages, distribution of product, the expense of purchasing and maintaining the equipment, and overhead of the facility used in the manufacturing of the offender clothing. CCi has delayed increasing the prices charged to the Department for these various items pending this request. However, CCi will soon need to raise prices to match the cost of production in order to cover costs moving forward.

***Proposed Solution:***

The Department of Corrections (DOC) is requesting \$220,486 General Fund in FY 2014-15 and ongoing to address an average of 56% inflationary increase in raw materials for manufacturing offender clothing. This includes \$89,408 General Fund for the Superintendent Dress Out line for released offender dress out clothing and to cover increased clothing costs. The request also includes \$131,078 for the Laundry Program Operating Expense line for offender standard issued clothing and coats. The increase would sufficiently cover the CCi raw material costs for a viable and self-sustaining program.

***Anticipated Outcomes:***

The Superintendents Dress Out line funds dress out clothing, as well as bus tickets and release money for releasing offenders. The current funding is not adequate to accommodate the increased raw fabric costs plus the statutorily mandated funding to provide a bus ticket within Colorado and \$100 release funds for releasing offenders.

The Laundry Operating Expenses line increase of \$131,078 for offender clothing will allow for the appropriate funding for clothing and support the funding for equipment replacement and maintenance repairs on laundry equipment.

### ***Assumptions and Calculations:***

Correctional Industry's cost of goods sold for manufacturing offender clothing is outpacing the current pricing due to the average 56% average inflationary increases in textiles. See Table 1 in the Appendix for Raw Material Fabric Price Changes per Yard.

In FY 2012-13 there were 21,395 articles of clothing provided to offenders for dress out for their release to the community (males only). Table 2 in the Appendix reflects the cost increase requested for Superintendents Dress Out provided to releasing offenders.

DOC facility central laundries processed 9.8 million pounds of soiled material, an average of 707 pounds per offender in FY 2012-13. An average of 31 new and used clothing articles were issued to each offender, a total of over 436,000 articles. 69.4% of the total Laundry Operating budget was expended for offender clothing in FY 2012-13. A total of 47,114 new clothing articles were purchased in FY 2012-13 for the benefit of the offenders. Table 3 in the Appendix reflects the cost increases requested by each type of issued clothing.

**Appendix:**

**Table 1 ~ Raw Material Fabric Pricing Changes Per Yard**

<b>Fabric</b>	<b>Per Yard 2006 Pricing</b>	<b>Per Yard 2013 Pricing</b>	<b>Increase Per Fabric Yard</b>	<b>Percentage Increase</b>
Green Twill	\$1.85	\$2.39	\$0.54	29.2%
Khaki Twill	\$1.41	\$2.40	\$0.99	70.2%
Navy Twill	\$1.62	\$2.58	\$0.96	59.3%
Brown Duck	\$1.79	\$3.69	\$1.90	106.2%
Flannel Liner	\$1.73	\$2.49	\$0.76	43.9%
Pique Knit	\$2.60	\$4.55	\$1.95	75.0%

**Table 2 ~ Superintendent Dress Out Increase Per Clothing Garment**

<b>Clothing and Sizes</b>	<b>Sales</b>	<b>Previous Pricing</b>	<b>Suggested Pricing</b>	<b>Increase Per Garment</b>	<b>Total Increase</b>
<b>Polo Shirts</b>					
Small to 1x Large	4,921	\$4.63	\$6.51	\$1.88	\$9,252
2x & 3x Large	3,020	\$6.26	\$8.81	\$2.55	\$7,701
4x Large	133	\$7.59	\$14.44	\$6.85	\$911
<b>Total</b>	<b>8,074</b>				<b>\$17,864</b>
<b>Coats</b>					
Small to 2x Large	3,995	\$15.40	\$16.14	\$0.74	\$2,956
3x to 5x Large	886	\$16.71	\$17.51	\$0.80	\$709
6x Large	13	\$17.27	\$18.10	\$0.83	\$11
<b>Total</b>	<b>4,894</b>				<b>\$3,676</b>
<b>Pants</b>					
Small to 50 Waist	8,384	\$7.25	\$15.30	\$8.05	\$67,491
52 to 60 Waist	40	\$7.85	\$16.56	\$8.71	\$348
64 Waist	3	\$8.60	\$18.15	\$9.55	\$29
<b>Total</b>	<b>8,427</b>				<b>\$67,868</b>
<b>Total Request</b>					<b>\$89,408</b>

**Table 3 ~ Laundry ~ Operating Expenses ~ Offender Clothing Increase Per Clothing Garment**

<b>Clothing and Sizes</b>	<b>Sales</b>	<b>Previous Pricing</b>	<b>Suggested Pricing</b>	<b>Increase Per Garment</b>	<b>Total Increase</b>
<b>Shirts</b>					
Small to 2x Large	10,196	\$6.75	\$8.15	\$1.40	\$14,275
3x & 10x Large	2,230	\$11.00	\$13.28	\$2.28	\$5,084
<b>Total</b>	<b>12,426</b>				<b>\$19,359</b>
<b>Work Coats</b>					
Small to 2x Large	4,371	\$15.82	\$25.10	\$9.28	\$40,563
3x to 5x Large	865	\$17.10	\$27.34	\$10.24	\$8,858
6x Large	46	\$18.60	\$29.74	\$11.14	\$512
<b>Total</b>	<b>5,282</b>				<b>\$49,933</b>
<b>Pants</b>					
Small to 2x Large	14,422	\$9.20	\$12.42	\$3.22	\$46,439
3x to 4x Large	1,660	\$13.20	\$17.82	\$4.62	\$7,669
5x to 6x Large	113	\$15.23	\$20.56	\$5.33	\$602
7x to 10x Large	162	\$16.62	\$22.44	\$5.82	\$943
<b>Total</b>	<b>16,357</b>				<b>\$55,653</b>
<b>Knit Caps</b>	<b>13,049</b>	<b>\$0.62</b>	<b>\$1.09</b>	<b>\$0.47</b>	<b>\$6,133</b>
<b>Total Request</b>					<b>\$131,078</b>

**Table 4 ~ Summary of Request**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>
<b>2F Laundry</b>		
Operating Expenses	\$131,078	\$131,078
<b>2G Superintendents</b>		
Dress Out	\$89,408	\$89,408
<b>Total Increase</b>	<b>\$220,486</b>	<b>\$220,486</b>

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