

**Federal Prison System  
Federal Prison Industries, Inc.  
FY 2013 CONGRESSIONAL BUDGET  
Table of Contents**

	<b>Page No.</b>
<b>I. Overview</b>	1
<b>II. Summary of Program Changes (Not Applicable)</b>	N/A
<b>III. Appropriations Language and Analysis of Appropriations Language</b>	5
<b>IV. Decision Unit Justification</b>	
A. Federal Prison Industries	
1. Program Description	6
2. Performance Tables	8
3. Performance, Resources, and Strategies	10
<b>V. Program Increases by Item (Not Applicable)</b>	N/A
<b>VI. Program Offsets by Item (Not Applicable)</b>	N/A
<b>VII. Exhibits</b>	
A. Organizational Chart	
B. Summary of Requirements	
C. FY 2013 Program Increases/Offsets by Decision Unit – Not Applicable	
D. Resources by DOJ Strategic Goal and Strategic Objective	
E. Justification for Base Adjustments	
F. Crosswalk of 2011 Availability	
G. Crosswalk of 2012 Availability	
H. Summary of Reimbursable Resources – Not Applicable	
I. Detail of Permanent Positions by Category	
J. Financial Analysis of Program Changes– Not Applicable	
K. Summary of Requirements by Grade	
L. Summary of Requirements by Object Class	
N. Summary of Change	

## **I. Overview for Federal Prison Industries, Incorporated**

### **1. Introduction**

It is the mission of Federal Prison Industries, Inc. (FPI) to employ and provide job skills training to the greatest practical number of inmates confined within the Federal Bureau of Prisons (BOP); contribute to the safety and security of our Nation's Federal correctional facilities by keeping inmates constructively occupied; provide market-quality products and services; operate in a self-sustaining manner; and minimize FPI's impact on private business and labor.

For FY 2013, a total of 1,950 positions and 1,806 workyears are requested for FPI. This request represents no change in positions from the FY 2012 enacted. Further \$2,700,000 is included as the administration limitation. Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address:

<http://www.justice.gov/02organizations/bpp.htm>.

### **2. Background**

FPI was created by Congress in 1934, and is a wholly owned Government corporation that operates at no cost to the U.S. taxpayer. The Corporation is authorized to operate industries in Federal penal and correctional institutions and disciplinary barracks (18 U.S.C. 4121-4129). UNICOR is the trade name for FPI. The Director of the Federal Prison System (FPS), who has jurisdiction over all Federal penal and correctional institutions, is the Chief Executive Officer. FPI reduces inmate idleness by providing a full-time work program and continually strives to attain the goal of employing approximately 25 percent of the eligible inmate population. Many inmates enter prison with no marketable job skills. FPI provides a program of constructive work and services wherein job skills can be developed and work habits acquired. Earnings from the Corporation's activities are used for all operating costs of the Corporation, including purchase of raw materials and equipment, staff salaries and benefits, compensation to inmates employed with FPI performing in work details, and compensation to former inmates for injuries they received while employed with FPI.

A board of six Directors, appointed by the President, reviews and approves the policies of the Corporation, long-range Corporate plans, establishment of new industries, and bylaws and capital investments in excess of \$500,000. The Board also makes annual reports to Congress on the conduct of the business of the Corporation and the condition of its funds. General management of the Corporation is vested in an Assistant Director of the FPS, who serves as Chief Operating Officer, and is carried out by a staff of 11 Corporate Management employees located in Washington, DC. Expenses for this administrative function are subject to congressional limitation.

As of September 30, 2011, there were 14,200 inmates employed in 88 FPI factories. Inmates manufacture items such as furniture, clothing, electronics, vehicular and metal products, and provide such services as printing, data processing and laundry. Products and services of the Corporation are sold primarily to Federal Agencies. The Departments of Defense (DOD),

Department of Homeland Security (DHS), Department of Justice (DOJ), General Services Administration (GSA), and the Social Security Administration (SSA) are FPI's largest customers. The growth of the BOP inmate population and the corresponding need to increase inmate employment while minimizing FPI's effect on private labor and business continue to be FPI's major challenge.

### 3. Challenges

The following is a brief summary of the role FPI plays in supporting DOJ's Strategic Goals and Objectives.

#### **Strategic Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels.**

- Strategic Objective 3.3: Provide for the safe, secure, humane, and cost-effective confinement of detainees awaiting trial and/or sentencing, and those in the custody of the federal prison system.

FPI meets this objective by reducing undesirable inmate idleness through full time work programs that provide constructive work wherein job skills can be developed and work habits acquired. Inmate idleness is one of the causes of inmate unrest and violence in prison. FPI employs approximately 14,000 inmates and provides skills training to help ensure the safe and secure operation of Bureau of Prisons (BOP) institutions. FPI plays a vital role in the management of inmates, and also improves the likelihood that inmates will remain crime-free upon their release from BOP custody. A 2005 study, to establish a baseline was conducted of 15,406 FPI participants and an equal number of comparison subjects released between 1994 through 1998. Results indicate that inmates who participate in FPI are significantly less likely to recidivate.

### 4. Full Program Costs

FPI operates as a revolving fund and does not receive an annual appropriation. This budget reflects the full value of anticipated orders received (Revenue) less the associated costs to produce the products ordered and maintain the facilities for manufacturing. FPI maintains a proprietary, full accrual accounting system. The revenue and costs presented in the budget are based upon historical data, market trends of FPI's sales of products and services. FPI monitors the following program's activities, Sales Volume, Number of Factories and Inmate Employment. These activities directly relate to FPI's goals of population management and inmate reentry success.

FPI sales have been negatively impacted by the passage of Sections 811 and 819 of the National Defense Authorization Acts of 2002 and 2003, and Section 637 of the FY 2004 and FY 2005 Omnibus Appropriations Bills, which changed the nature of FPI's mandatory source status. More recently, Section 827 of the National Defense Authorization Act of 2008 further eroded FPI's procurement preference.

The following chart shown below illustrates FPI's Sales, Factory Earnings, and Corporate Net Income\Loss for the period of FY 2008 through FY 2011:

	FY 2008	FY 2009	FY 2010	FY 2011
Sales	854,279,000	885,265,000	776,984,000	745,423,000
Factory Earnings	60,347,000	37,614,000	5,634,000	62,009,000
Net Income\Loss	\$3,119,000	(\$35,869,000)	(\$56,328,000)	(1,810,000)

In FY 2011, the net cost of operations decreased by \$55.4 million. Earned Revenue increased by \$47.1 million while Gross Costs decreased by \$8.2 million. Earned Revenue includes the sale of solar cells through GSA in early 2011 in the amount of \$32.7 million. Reimbursable Services increased during FY 2011 by \$34.7 million when compared to FY 2010. The decrease in Gross Costs is the result of FPI's efforts to reduce inventories and expenditures through capacity reductions.

## 5. Performance Challenges

### External Challenges

FPI does not receive appropriated funding for operations and maintains itself through the results of operations. Historically, FPI operates on a very low margin. The margins are much below that which would be seen by a non-government corporation of similar size and longevity. FPI has been able to sustain itself despite unprecedented growth in the number of inmates. The inmate growth demands of the BOP are expected to continue for the foreseeable future.

The delicate balancing act between self sufficiency and growth create a sizable challenge for FPI. Additionally, FPI is faced with challenges that may impact this balance. These challenges include changes to FPI's position as a supplier to the Federal Government (preference provided to FPI) and increases in costs not directly controlled by FPI (Federal staff pay schedule and benefits costs).

### Internal Challenges

FPI faces challenges similar to that of a non-government corporation. These challenges include: control of costs, collection of accounts receivable, control of raw materials inventory levels, and stability of sales.

During FY 2011, FPI incurred an operating loss of \$1.8 million. FPI's accounts receivable increased \$12.7 million during FY 2011 primarily due to an exceptionally low balance at the end of FY 2010. FPI reduced inventories by \$69.4 million during FY 2011 and increased its operating cash by \$28.7 million.

To guard against future losses, FPI began reorganizing operations in FY 2009 which continued into FY 2011 to reduce overhead expenses, inmate employment, delaying factory activations at new federal prison facilities, consolidating operations, downsizing and closing some existing factories. Despite these efforts to create additional savings and efficiencies additional adjustments were needed to ensure FPI's ability to sustain itself in the future. In July 2011, FPI announced the closure or downsizing of additional factories.

## **6. Environmental Accountability**

The BOP has implemented an Environmental Management System (EMS) policy. UNICOR is also covered by this EMS policy. UNICOR integrates environmental accountability in its day-to-day decisions locally through membership and representation from each UNICOR factory on BOP's institution EMS Committees, which consist of staff responsible for environmental concerns for that institution. Each institution has now self certified that an EMS has been implemented -- this includes UNICOR factories within those facilities. A UNICOR factory representative also participates on the National Environmental Management and Occupational Health and Safety Committee (EMOHSC), which oversees EMS policy and agency-wide environmental concerns. In addition, an all-UNICOR Central Office Environmental Discussion Group, which discusses all environmental issues facing UNICOR, also contributes to environmental accountability in decision making.

The BOP developed a three-year audit cycle schedule to second party certify each BOP institution's EMS.

In addition, UNICOR continues to be proactive in its environmental accountability and towards that goal is taking measures such as plans to manufacture and sell solar panels to the Federal government in furtherance of its greening initiatives.

### **III. Appropriation Language and Analysis of Appropriation Language**

#### **Appropriation Language**

The 2013 Budget request includes proposed changes in the appropriations language listed and explained below. New language is *italicized and underlined*, and language proposed for deletion is bracketed.

#### **Federal Prison Industries, Incorporated**

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase (not to exceed five for replacement only) and hire of passenger motor vehicles.

#### **Limitation on Administrative Expenses, Federal Prison Industries, Incorporated**

Not to exceed \$2,700,000 of the funds of the Federal Prison Industries, Incorporated shall be available for its administrative expenses, and for services as authorized by section 3109 of title 5, United States Code, to be computed on an accrual basis to be determined in accordance with the corporation's current prescribed accounting system, and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which such accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

(Department of Justice Appropriations Act, 2012.)

#### **Analysis of Appropriations Language**

No changes are proposed in the FY 2013 budget.

## IV. Decision Unit Justification

### A. Federal Prison Industries

<i>Federal Prison Industries</i>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount</b>
2011 Enacted	1,950	1,806	948,681
2012 Enacted	1,950	1,806	698,268
Adjustments to Base and Technical Adjustments	0	0	0
2013 Current Services	1,950	1,806	713,768
2013 Request	1,950	1,806	713,768
<b>Total Change 2012-2013</b>	0	0	\$15,500

#### 1. Program Description

Federal Prison Industries, Inc. (FPI) reduces inmate idleness by providing full-time work programs, and continually strives to attain the goal of employing approximately 25 percent of the eligible inmate population. Many inmates do not have marketable skills when they enter prison. FPI provides a program of constructive work wherein job skills can be developed and work habits acquired.

FPI's operations are self-supporting. Revenues are derived from the sale of products and services to other Federal departments, agencies, and government institutions which purchase products listed on FPI's Schedule of Products. FPI provides services on a non-mandatory, preferred source basis. Operating expenses such as the costs of raw materials and supplies, inmate wages, staff salaries, and capital expenditures are applied against these revenues, resulting in operating income or loss, which is reapplied toward operating costs for future production.

Institution factories and shops are operated by civilian supervisors and managers responsible for training and overseeing the work of inmates. The factories utilize raw materials and component parts purchased from the private sector to produce finished goods. FPI's major Government customers include the Departments of Defense (DOD), Department of Homeland Security (DHS), Department of Justice (DOJ), General Services Administration (GSA), and the Social Security Administration (SSA). Institution factories manufacture such items as furniture, clothing, electronics, vehicle retrofit and metal products, and provide such services as printing, data processing, laundry and recycling activities. Orders for goods and services are obtained through marketing and sales efforts by civilian staff. A portion of the earnings realized by these operations is reinvested to improve and build new facilities and purchase equipment, maintain the existing equipment base, and provide working capital.

Extensive testing and product development procedures are required to operate modern factories that produce products which meet Government specifications. Inmate training is also extensive because most of the inmates have no previous training, experience or skills. Most training is on-the-job, with the civilian supervisors and experienced inmates explaining and demonstrating the work to newly assigned inmates. Where skills require more formal training, such as soldering, classroom instruction is provided by FPI staff.

FPI makes capital investments in buildings and improvements, machinery and equipment as necessary in the conduct of its operations. Other expenses charged to the manufacturing program include inmate accident compensation.

In 1988, Congress amended FPI's statute regarding the production of new products and significant product expansion (18 U.S.C. 4122). Before any significant product expansion or new products are manufactured, a review process is conducted, which includes full notice to and input from the public and interested parties. Implementing guidelines were first promulgated in 1990 and updated in 1997, with input from the private sector.

As required under the Federal rules, commonly referred to as the Guidelines process, when FPI proposes to produce a new product or expand its market share of an existing product, they first must conduct a market impact study. This study must identify and consider the number of vendors currently meeting the requirements of the Federal government; the proportion of the Federal market for the product currently served by small business, small disadvantaged businesses, or businesses operating in labor surplus areas; the size of the Federal/non-Federal markets for the product; the projected growth in the Federal government's demand for the product; and the projected ability of the Federal market to sustain both FPI and private vendors. FPI then must announce in the Federal Business Opportunities (Fed Biz Opps) its proposal and invite comments from private industry. FPI must also directly notify those trade associations affected and allow them to provide comment.

FPI's Board of Directors is appointed by the President, and by statute is composed of six members representing Industry, Labor, Retailers and Consumers, Agriculture, the Secretary of Defense, and Attorney General. The Board is provided copies of the market impact study, the comments received, and FPI's recommendations. The Board also holds hearings that the public can attend and provide testimony.

At the conclusion of this process, the Board renders its decision, which is also published in the Federal Business Opportunities (Fed Biz Opps). Parties can appeal to the Board if and when market conditions change or new facts could impact the decision.

**PERFORMANCE AND RESOURCES TABLE**

**Appropriation: 15X4500**

**Decision Unit: Federal Prison Industries**

**DOJ Strategic Goal/Objective: 3.3**

Workload/Resources		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2011		FY 2011		FY 2012		Current Services Adjustments and FY2013 Program Changes		FY 2013 Request	
<b>Workload</b>											
Base number of factories		94		88		79		0		79	
Number of Inmate Jobs added		0		0		0		0		0	
Inmates employed at year-end		15,907		14,200		14,396		0		14,396	
<b>Total Costs and FTE</b> <small>(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)</small>		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		1,806	904,683	1,806	904,683	1,806	698,268	0	15,500	1,806	713,768
<b>TYPE/ STRATEGIC OBJECTIVE</b>	<b>Performance</b>	FY 2011		FY 2011		FY 2012		Current Services Adjustments and FY2013 Program Changes		FY 2013 Request	
<b>Program Activity</b>		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
	Sales Volume	1,806	904,683	1,806	904,683	1,806	698,268	0	0	1,806	713,768
<b>Efficiency Measure</b>	Number of Inmates Employed	15,907		14,200		14,396		0		14,396	
<b>OUTCOME</b>	Number of inmates employed as a percentage of inmates housed in low, medium, and high security institutions.	25%		9%		8%				25%	

Data Definition, Validation, Verification, and Limitations:  
 Base number of factories equal the number of factories at the beginning of the year and prior year's base number of factories adjusted to agree with prior year-end results.  
 Current inmate employment targets are based on recent results due to FPI's current financial conditions; however FPI continues to strive toward the goal of 25%.  
 During FY 2012, FPI Corporate Management in consultation with the Board of Directors will be evaluating the appropriate employment percentage to be used in out years.  
 Decreases are the result of reduction of costs, delayed activations and restructuring.

**PERFORMANCE MEASURE TABLE**

**Decision Unit: Federal Prison Industries**

Performance Report and Performance Plan Targets		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011		FY 2012	FY 2013
		Actual	Target	Actual	Target	Target							
<b>Efficiency Measure</b>	Number of Inmates Employed	20,274	19,337	19,720	21,205	23,152	21,836	18,972	15,907	16,066	14,200	14,396	14,396
<b>OUTCOME Measure</b>													

During FY 2012, FPI Corporate Management in consultation with the Board of Directors will be evaluating the appropriate employment percentage to be used in out years.

## **2. Performance, Resources and Strategies**

The Federal Prison Industries (FPI) contributes to the Department's Strategic Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels. Within this Goal, resources specifically address one of the Department's Strategic Objectives: 3.3 – Provide for the safe, secure, humane, and cost-effective confinement of detainees awaiting trial and/or sentencing, and those in the custody of the federal prison system.

### **a. Performance Plan and Report for Outcomes**

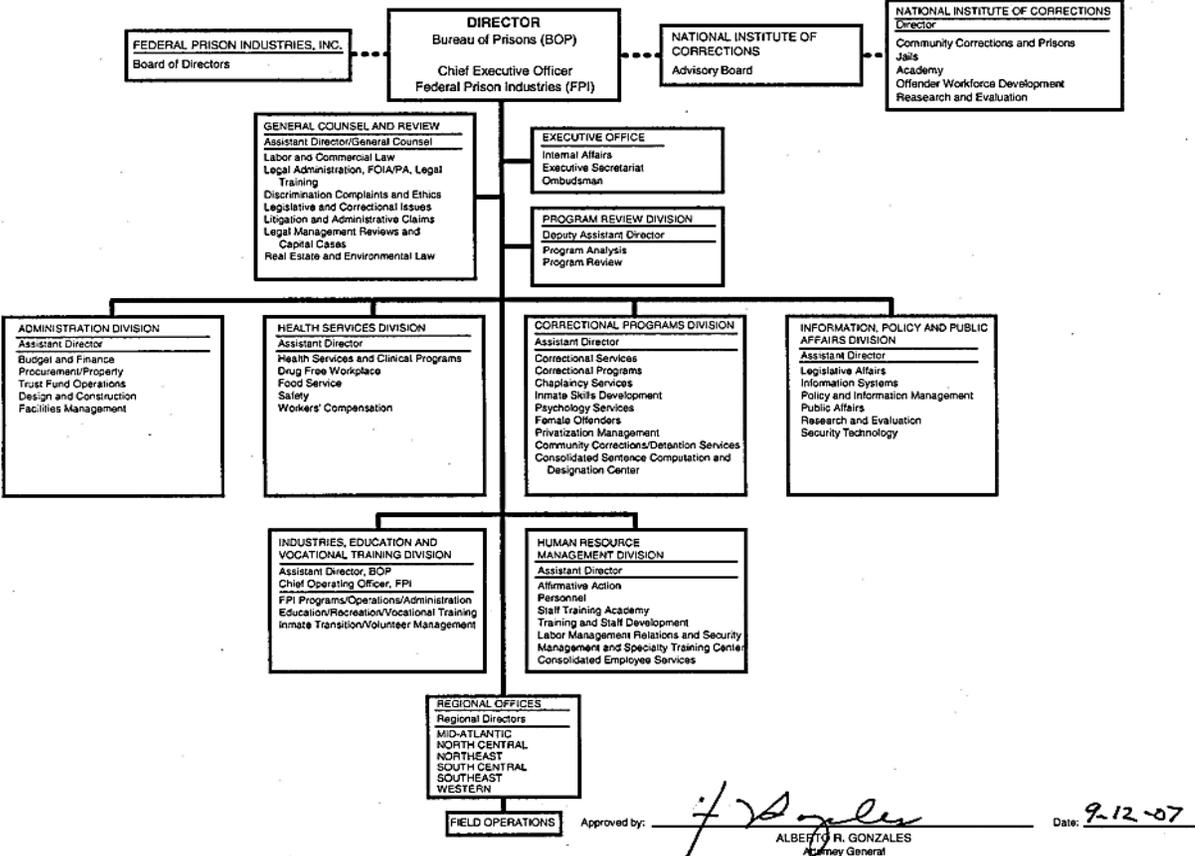
As illustrated in the preceding Performance and Resources Table, the performance outcome measure for FPI is number of inmates employed as a percentage of inmates housed in low, medium and high security facilities. The efficiency measure is the number of inmates employed. FPI actual inmate employment for FY 2011 was 14,200. FPI estimates inmate employment at 14,396 at the end of FY 2012. Due to several factors external to the work environment, FPI has encountered a decline in customer orders during FY 2008 through FY 2011. During the same time frame FPI has encountered the impact of rising costs, legislation restricting its mandatory source and imposing limits on its output in certain product classes, and the impact of the decline in the economy. In order to maintain itself as a going concern, FPI implemented considerable cost reduction measures which included the closing of factories and therefore unavoidably reduced the number of inmates it employs. FPI continues to seek employment opportunities through marketing efforts and proposed legislation to open new markets. During FY 2012, FPI Corporate Management in consultation with the Board of Directors will be evaluating the appropriate employment percentage to be used in out years.

### **b. Strategies to Accomplish Outcomes**

FPI's performance goals support the DOJ strategic goals and objectives. For FY 2013, a total of 1,950 positions and 1,806 work years are requested for the FPI program. Further, \$2,700,000 is established as the Administrative Expenses limitation.

FPI's primary goal for population management is to proactively manage the offender population through meaningful work programs. FPI meets this objective by reducing undesirable inmate idleness through full time work programs that provide constructive work wherein job skills can be developed and work habits acquired. Inmate idleness is the number one cause of inmate unrest and violence in prison; at the end of FY 2011, FPI employed 14,200 inmates. FPI provided work skills training to help ensure the safe and secure operation of BOP institutions. FPI plays a vital role in the management of inmates, and also improves the likelihood that inmates will remain crime-free upon their release from BOP custody.

# A: Organizational Chart



Approved by: *Alberto R. Gonzales* Date: 9-12-07  
 ALBERTO R. GONZALES  
 Agency General

Exhibit A - Organizational Chart

**B: Summary of Requirements**

**Summary of Requirements**  
 Federal Prison System  
 Federal Prison Industries, Incorporated  
 (Dollars in Thousands)

	FY 2013 Request		
	Perm. Pos.	FTE	Amount
<b>2011 Enacted (with Rescissions, direct only)</b>	<b>1,950</b>	<b>1,806</b>	<b>948,681</b>
<b>2012 Enacted (with Rescissions)</b>	<b>1,950</b>	<b>1,806</b>	<b>698,268</b>
Technical Adjustments	0	0	0
Adjustments to Base			
Adjustment in Investment Activity	0	0	15,500
<b>2013 Current Services</b>	<b>1,950</b>	<b>1,806</b>	<b>713,768</b>
Total Program Changes	0	0	0
<b>2013 Total Request</b>	<b>1,950</b>	<b>1,806</b>	<b>\$713,768</b>
2012 - 2013 Total Change	0	0	15,500

NOTE: All FTE numbers in this table reflect authorized FTE, which is the total number of FTE available to a component. Because the FY 2013 President's Budget Appendix builds the FTE request using actual FTE rather than authorized, it may not match the FY 2012 FTE enacted and FY 2013 FTE request reflected in this table.

**Summary of Requirements**  
 Federal Prison System  
 Federal Prison Industries, Incorporated  
 (Dollars in Thousands)

Estimates by budget activity	2011 Appropriation Enacted w/Rescissions			2012 Enacted			2013 Adjustments to Base and Technical Adjustments			2013 Current Services			2013 Increases			2013 Offsets			2013 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1. Administrative Expenses	32	32	2,695	32	32	2,700	0	0	0	32	32	2,700	0	0	0	0	0	0	32	32	2,700
Subtotal	32	32	2,695	32	32	2,700	0	0	0	32	32	2,700	0	0	0	0	0	0	32	32	2,700
2. Cost of Production	1,918	1,774	930,305	1,918	1,774	676,221	0	0	15,500	1,918	1,774	691,721	0	0	0	0	0	0	1,918	1,774	691,721
3. Other Expenses	0	0	14,347	0	0	14,347	0	0	0	0	0	14,347	0	0	0	0	0	0	0	0	14,347
4. Building and Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Machinery and Equipment	0	0	1,334	0	0	5,000	0	0	0	0	0	5,000	0	0	0	0	0	0	0	0	5,000
<b>Total</b>	<b>1,950</b>	<b>1,806</b>	<b>\$948,681</b>	<b>1,950</b>	<b>1,806</b>	<b>\$698,268</b>	<b>0</b>	<b>0</b>	<b>15,500</b>	<b>1,950</b>	<b>1,806</b>	<b>\$713,768</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,950</b>	<b>1,806</b>	<b>\$713,768</b>

**D: Resources by DOJ Strategic Goal and Strategic Objective**

**Resources by Department of Justice Strategic Goal/Objective  
Federal Prison System  
Federal Prison Industries, Incorporated**  
(Dollars in Thousands)

Strategic Goal and Strategic Objective	2011 Appropriation Enacted		2012 Enacted		2013 Current Services		2013				2013 Request	
	Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s	Increases		Offsets		Direct, Reimb. Other FTE	Direct Amount \$000s
							Direct, Reimb. Other FTE	Direct Amount \$000s	Direct, Reimb. Other FTE	Direct Amount \$000s		
<b>Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal and International Levels</b> 3.3 Provide for the safe, secure, humane, and cost-effective confinement of detainees awaiting trial and/or sentencing, and those in the custody of the Federal Prison System												
<b>Subtotal, Goal 3</b>	1,806	948,681	1,806	698,298	1,806	713,768	0	0	0	0	1,806	713,768
<b>GRAND TOTAL</b>	<b>1,806</b>	<b>948,681</b>	<b>1,806</b>	<b>698,298</b>	<b>1,806</b>	<b>713,768</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,806</b>	<b>713,768</b>

## E: Justification for Base Adjustments

### Justification for Base Adjustments

Federal Prison System

Federal Prison Industries, Incorporated

<u>Increases</u>	<u>POS</u>	<u>FTE</u>	<u>Amount (\$000)</u>
<u>Investments.</u> An increase of \$15,500,000 is estimated in FY 2013 as an adjustment in investment activity.	0	0	15,500
<b>Total Increase:</b>	<b>0</b>	<b>0</b>	<b>15,500</b>
<b>Total ATB:</b>	<b>0</b>	<b>0</b>	<b>\$15,500</b>

**F: Crosswalk of 2011 Availability**

**Crosswalk of 2011 Availability**  
 Federal Prison System  
 Federal Prison Industries, Incorporated

Decision Unit	2011 Enacted without Rescissions			Rescissions			Reprogrammings / Transfers			Carryover Amount	Recoveries Amount	2011 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount			Pos.	FTE	Amount
Federal Prison Industries., Inc.	1,950	1,806	948,681									1,950	1,806	948,681
Administrative Expenses	[32]	[32]	[2,700]	[0]	[0]	[5]						[32]	[32]	[2,695]
<b>TOTAL</b>	<b>1,950</b>	<b>1,806</b>	<b>\$948,681</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1,950</b>	<b>1,806</b>	<b>\$948,681</b>

\* FPI funds are non-appropriated, however in FY2011 FPI followed the full year continuing appropriations act which enacted a 0.2 percent across the board reduction. This effectively reduced availability for the limitation on administration expenses by \$5,000 in FY 2011.

**G: Crosswalk of 2012 Availability**

**Crosswalk of 2012 Availability**  
 Federal Prison System  
 Federal Prison Industries, Incorporated  
 (Dollars in Thousands)

Decision Unit	FY 2012 Enacted Without Rescissions			Rescissions			Reprogrammings / Transfers			Carryover Amount	Recoveries Amount	2012 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount			Pos.	FTE	Amount
Federal Prison Industries., Inc.	1,950	1,806	698,268									1,950	1,806	698,268
Administrative Expenses	[32]	[32]	[2,700]									[32]	[32]	[2,700]
												0	0	0
<b>TOTAL</b>	<b>1,950</b>	<b>1,806</b>	<b>\$698,268</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1,950</b>	<b>1,806</b>	<b>\$698,268</b>

**I: Detail of Permanent Positions by Category**

**Detail of Permanent Positions by Category**  
 Federal Prison System  
 Federal Prison Industries, Incorporated

Category	2011 Enacted		2012 Enacted		2013 Request					
	Total Authorized	Total Reimbursable	Total Authorized	Total Reimbursable	ATBs	Program Increases	Program Decreases	Total Pr. Changes	Total Authorized	Total Reimbursable
Accounting and Budget (500-599)	174	0	174	0	0	0	0	0	174	0
Attorneys (905)	3	0	3	0	0	0	0	0	3	0
Business and Industry Group (1100-1199)	473	0	473	0	0	0	0	0	473	0
Correctional Institution Administration (006)	59	0	59	0	0	0	0	0	59	0
Correctional Officers (007)	0	0	0	0	0	0	0	0	0	0
Engineering and Architecture Group (800-899)	8	0	8	0	0	0	0	0	8	0
Equipment, Facilities and Service Group (1600-1699)	6	0	6	0	0	0	0	0	6	0
General Admin., Clerical and Office Svcs. (300-399)	212	0	212	0	0	0	0	0	212	0
Information and Arts Group (1000-1099)	0	0	0	0	0	0	0	0	0	0
Information Tech Specialist (2200-2299)	93	0	93	0	0	0	0	0	93	0
Manufacturing Quality Control Group (1900-1999)	92	0	92	0	0	0	0	0	92	0
Other legal and Kindred (900-998)	3	0	3	0	0	0	0	0	3	0
Paralegal Specialist (950)	0	0	0	0	0	0	0	0	0	0
Personnel Management (200-299)	0	0	0	0	0	0	0	0	0	0
Supply Group (2000-2099)	17	0	17	0	0	0	0	0	17	0
Training/Education (1700-1799)	0	0	0	0	0	0	0	0	0	0
Transportation (2100-2199)	3	0	3	0	0	0	0	0	3	0
Ungraded (culinary, farm, mechanical and construction)	807	0	807	0	0	0	0	0	807	0
<b>Total</b>	<b>1,950</b>	<b>0</b>	<b>1,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,950</b>	<b>0</b>
Headquarters (Washington, D.C.)	463	0	463	0	0	0	0	0	463	0
U.S. Field	1,487	0	1,487	0	0	0	0	0	1,487	0
<b>Total</b>	<b>1,950</b>	<b>0</b>	<b>1,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,950</b>	<b>0</b>

## K: Summary of Requirements by Grade

### Summary of Requirements by Grade

Federal Prison System

Federal Prison Industries, Incorporated

	2011 Enacted w/ Rescissions		2012 Enacted		2013 Request		Increase/Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>Grades and Salary Ranges</b>								
SES, \$119,554 - 179,700	2		2		2		0	
GS-15, \$123,758 - 155,500	17		17		17		0	
GS-14, \$105,211 - 136,771	68		68		68		0	
GS-13, \$89,033 - 115,742	229		229		229		0	
GS-12, \$74,872 - 97,333	269		269		269		0	
GS-11, \$62,467 - 81,204	226		226		226		0	
GS-10, \$56,857 - 73,917	4		4		4		0	
GS-9, \$51,630 - 67,114	217		217		217		0	
GS-8, \$46,745 - 60,765	46		46		46		0	
GS-7, \$42,209 - 54,875	37		37		37		0	
GS-6, \$37,983 - 49,375	7		7		7		0	
GS-5, \$34,075 - 44,293	7		7		7		0	
GS-4, \$30,456 - 39,590	9		9		9		0	
Ungraded Positions	812		812		812		0	
<b>Total, Appropriated Positions</b>	<b>1,950</b>		<b>1,950</b>		<b>1,950</b>		<b>0</b>	
<b>Average SES Salary</b>		<b>\$166,700</b>		<b>\$166,700</b>		<b>\$166,700</b>		
<b>Average GS Salary</b>		<b>\$90,700</b>		<b>\$90,700</b>		<b>\$90,700</b>		
<b>Average GS Grade</b>		<b>13</b>		<b>13</b>		<b>13</b>		

## L: Summary of Requirements by Object Class

### Summary of Requirements by Object Class

Federal Prison System

Federal Prison Industries, Incorporated

Object Classes	2011 Actuals		2012 Enacted		2013 Request		Increase/Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11.1 Direct FTE & personnel compensation	1,806	103,595	1,806	102,371	1,806	102,371	0	0
11.3 Other than full-time permanent	0	0	0	0	0	0	0	0
11.5 Total, Other personnel compensation	0	3,367	0	884	0	884	0	0
11.8 Special personal services payments	0	38,425	0	38,382	0	38,382	0	0
Total	1,806	145,387	1,806	141,637	1,806	141,637	0	0
Other Object Classes:								
12.0 Personnel benefits		48,855		49,514		49,514		0
21.0 Travel and transportation of persons		3,952		3,806		3,806		0
22.0 Transportation of things		3,787		3,166		3,166		0
23.2 Moving/Lease Expirations/Contract Parking		464		386		386		0
23.3 Comm., util., & other misc. charges		16,440		15,207		15,207		0
24.0 Printing and reproduction		1,011		921		921		0
25.2 Other services from non-Federal sources		14,347		12,936		12,936		0
26.0 Supplies and materials		587,501		478,495		478,495		0
31.0 Equipment		1,334		5,000		5,000		0
32.0 Land and Structures		0		0		0		0
93 Administrative Expenses		1,775		2,700		2,700		0
<b>Total obligations</b>		<b>\$824,853</b>		<b>\$713,768</b>		<b>\$713,768</b>		<b>\$0</b>
Unobligated balance, start of year		(74,986)		(154,816)		(139,316)		
Unobligated balance, end of year		154,816		139,316		139,316		
Recoveries of prior year obligations		0		0		0		
<b>Total DIRECT requirements</b>		<b>\$904,683</b>		<b>\$698,268</b>		<b>\$713,768</b>		

## N: Summary of Change

**FY 2013 Summary of Change**  
Federal Prison System  
Federal Prison Industries, Inc. (Non-Appropriated)

	Perm. Pos.	FTE	Amount*
<b>2012 Enacted</b>	<b>1,950</b>	<b>1,806</b>	<b>698,268</b>
Adjustments to Base Adjustment in Investment Activity	0	0	15,500
<b>2013 Current Services</b>	<b>1,950</b>	<b>1,806</b>	<b>713,768</b>
Program Changes	0	0	0
<b>2013 Congressional Request</b>	<b>1,950</b>	<b>1,806</b>	<b>\$713,768</b>

\*FPI funds are non-appropriated.

For FY 2013, the proposed limitation on administrative expenses is \$2.7 million.