

**U.S. Department of Justice  
Federal Prison System  
FY 2014 CONGRESSIONAL BUDGET  
Federal Prison Industries  
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# **I. Overview for Federal Prison Industries**

## **1. Introduction**

The mission of Federal Prison Industries (FPI) is to protect society and reduce crime by preparing inmates for successful reentry through job training.

FPI assists inmates with developing vital skills necessary to become law abiding citizens. Through the production of market-priced quality goods and services, FPI provides job training and work opportunities to inmates, while minimizing impact on private industry and labor.

For FY 2014, a total of 1,950 positions and 1,147 work-years are requested for FPI. This request represents no change in positions from the FY 2013 Continuing Resolution level. Further, \$2,700,000 is included as the administration limitation for the FPI program. 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 Bureau of Prisons (BOP), 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 ideal goal of employing approximately 25 percent of the eligible inmate population, many of whom 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. Revenues from the Corporation's activities are used to defray all operating costs of the Corporation, including the 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 submits 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 13 Corporate Management employees located in Washington, DC. Expenses for this administrative function are subject to congressional limitation.

As of September 30, 2012, there were 13,369 inmates employed in 81 FPI factories with a projected employment of 12,819 inmates in Fiscal Year 2013. Inmates manufacture items such

as furniture, clothing, electronics, vehicular and metal products, and provide such services as printing, data processing, call centers, and laundry. Products and services of the Corporation are sold primarily to Federal agencies. The Department of Defense (DOD), Department of Homeland Security (DHS), Department of Justice (DOJ), and General Services Administration (GSA), 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 continues 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 is one of the BOP's most important inmate programs, providing valuable job skills training and work experience to 13,369 Federal inmates in FY 2012. FPI directly supports the BOP's mission by keeping inmates productively occupied and by enhancing the likelihood of their successful reentry into society. Inmates who participate in the FPI program are less likely to engage in disruptive behavior, a benefit which contributes significantly to the safe and secure management of prisons, thereby reducing operating costs. Additionally, inmates participating in the FPI program are significantly less likely to return to a life of crime, a result which will reduce the future costs of enforcement and incarceration. FPI is a program with proven lasting benefits, including a reduction in government spending on fighting crime; a positive impact on the U.S. economy through the raw materials purchased from suppliers around the country and the staff salaries spent in the community, all without additional tax burden to society.

Increasing the number of inmate opportunities for employment is an ongoing challenge for FPI. This is evidenced by the continued decline in customer orders during FY 2012, which has led to a reduction in inmate employment from 14,200 at the beginning of the fiscal year to 13,369 as of September 30, 2012.

### **4. Full Program Costs**

FPI operates as a revolving fund and does not receive an annual appropriation. FPI maintains a proprietary, full accrual accounting system. Cash control measures implemented during FY 2009 through FY 2012 have resulted in a reduction of non-cash assets in order to preserve cash. Based on anticipated orders (Revenues), this budget reflects the associated costs to produce the products and services and maintain the facilities for manufacturing, adjusted for anticipated replenishments. FPI monitors the following program's activities: Sales Volume, Number of Factories and Inmate Employment. These activities directly relate to FPI's goals of inmate reentry success and a safe, secure and less costly population management.

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.

Sales, Factory Earning and Net Income for Federal Prison Industries  
*FY 2008 – FY 2012*

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Sales	854,279,000	885,265,000	776,984,000	745,423,000	606,114,000
Factory Earnings	60,347,000	37,614,000	5,634,000	62,009,000	31,713,000
Net Income/(Loss)	\$3,119,000	(\$35,869,000)	(\$56,328,000)	(1,810,000)	(28,251,000)

In FY 2012, the net cost of operations decreased by \$23.6 million. Earned Revenue decreased by \$203.4 million while Gross Costs decreased by \$179.8 million. Reimbursable Services decreased during FY 2012 by \$13.1 million when compared to FY 2011. 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 sustains itself through its operations. Historically, FPI operates on a very low margin. The margins are much lower than that of a non-government corporation of similar size and longevity. FPI has been able to sustain itself despite unprecedented growth in the number of inmates incarcerated. 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, including 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 2012, FPI incurred an operating loss of \$28.3 million. FPI's accounts receivable decreased \$20.5 million during FY 2012 primarily due to the reduction in sales FPI reduced inventories by \$4.7 million during FY 2012 and increased its operating cash by \$7.4 million.

To guard against future losses, FPI began reorganizing operations in FY 2009, which continued into FY 2012. FPI implemented cost containment measures by delaying inmate employment and factory activations at new Federal prison facilities while consolidating operations, downsizing and/or 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 that were completed in FY 2012. Cost containment measures continue in FY 2013.

## **6. Environmental Accountability**

The BOP has implemented an Environmental Management System (EMS) policy, which covers FPI. FPI integrates environmental accountability in its day-to-day decisions locally through membership and representation from each FPI 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 FPI factories within those facilities. An FPI factory representative also participates on the Environmental Management and Occupational Health and Safety Committee (EMOHSC), which oversees EMS policy and institution-wide environmental concerns.

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

In addition, FPI continues to be proactive in its environmental accountability by taking measures such as efforts 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**

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

*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.*

#### **Analysis of Appropriation Language**

*No substantive language changes; however, the specific provision included under the Federal Prison System for vehicle purchases is deleted as this authority is granted under the Department of Justice's authorization act (P.L.107-273).*

## IV. Program Activity Justification

### Federal Prison Industries

<b>Federal Prison Industries</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (000)</b>
2012 Actual	1,950	1,213	\$701,276
2013 Continuing Resolution	1,950	1,147	666,936
Base and Technical Adjustments	0	0	16,959
2014 Current Services	1,950	1,147	683,895
2014 Request	1,950	1,147	683,895
<b>Total Change 2013-2014</b>	0	0	\$-17,381

<b>Federal Prison Industries-Information Technology Breakout (of Decision Unit Total)</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount</b>
2012 Actual	96	93	20,282
2013 Continuing Resolution	96	93	20,187
Adjustments to Base and Technical Adjustments	0	0	0
2014 Current Services	96	93	20,187
2014 Request	96	93	20,187
<b>Total Change 2013-2014</b>			\$0

### 1. Program Description

Federal Prison Industries (FPI) employs many inmates who 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, thereby reducing the likelihood that inmates will recidivate upon release. FPI employment reduces inmate idleness by providing full-time work programs that improve prison safety and security. FPI continually strives to attain the goal of employing approximately 25 percent of the eligible inmate population

FPI's operations are self-sustaining. 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 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), and General Services Administration (GSA). Institution factories manufacture such items as furniture, clothing, electronics, vehicle retrofit and metal products, and provide such services as printing, data processing, call centers, 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, 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, it 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 businesses, 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 the 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.

2. Performance and Resources Tables

PERFORMANCE AND RESOURCES TABLE											
<b>Appropriation: 15X4500</b>											
<b>Decision Unit: Federal Prison Industries</b>											
<b>DOJ Strategic Goal/Objective: 3.3</b>											
Workload/Resources		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2012		FY 2012		FY 2013 CR		Current Services Adjustments and FY2014 Program Changes		FY 2014 Request	
Total Costs and FTE <small>(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)</small>		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		1,806	700,158	1,213	701,276	1,147	666,936	0	16,959	1,147	683,895
TYPE/ STRATEGIC OBJECTIVE	Performance	FY 2012		FY 2012		FY 2013 CR		Current Services Adjustments and FY2014 Program Changes		FY 2014 Request	
Program Activity		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
	Sales Volume	1,806	700,158	1,213	701,276	1,147	666,936	0	16,959	1,147	683,895
Efficiency Measure	Number of Inmates Employed	14,396		13,369		12,819		0		12,819	
OUTCOME*	Number of eligible inmates employed as a percentage of inmates housed in low, medium, and high security institutions.	25%		7%		25%*		0		25%*	

\* The ideal goal has been to employ approximately 25 percent of the eligible inmate population. However, with the continued decline of customer orders and subsequent inmate opportunities, FPI has not been able to reach this goal. FPI Corporate Management, in consultation with the Board of Directors, will be evaluating the appropriate employment percentage to be used in out years.

**PERFORMANCE MEASURE TABLE**

**Decision Unit: Federal Prison Industries**

Performance Report and Performance Plan Targets		FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012		FY 2013	FY 2014
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target
<b>Performance Measure</b>	* Comparative Recidivism for FPI inmates vs non-FPI inmates (3yrs.).	N/A	Baseline Established	23%	39%	34%	22%	18%	12%	N/A	N/A	N/A	N/A
<b>Performance Measure</b>	* Comparative Recidivism for FPI inmates vs non-FPI inmates (6yrs.).	N/A	Baseline Established	10%	23%	42%	12%	19%	N/A <sup>1</sup>				
<b>Performance Measure</b>													
<b>Efficiency Measure</b>	Number of Inmates Employed	19,337	19,720	21,205	23,152	21,836	18,972	15,907	14,200	14,396	13,369	12,819	12,819
<b>OUTCOME Measure</b>													

**N/A = Data unavailable**

**\* Denotes inclusion in the DOJ Annual Performance Plan**

1. In FY 2010 reporting was redefined to only include 3 year measurement. Therefore, BOP will only report on the 3 year measure beginning in FY2011.

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

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. Specifically, FPI implements 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 efficiency measure for FPI is the number of inmates employed as a percentage of inmates housed in low, medium and high security facilities. FPI's actual inmate employment as of September 30, 2012 was 13,369. FPI's projected inmate employment will decrease to approximately 12,819 in FY 2013 and FY 2014. Due to several factors external to the work environment, FPI has encountered a decline in customer orders during FY 2008 through FY 2012. During the same time frame, FPI experienced 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 business opportunities through marketing efforts. In its FY 2012 submission, FPI proposed legislation to open new markets and was successful in obtaining additional authorities through the Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55), which authorized FPI to participate in the Prison Industries Enhancement Certification Program (PIECP) and repatriate the foreign manufacture of products in certain circumstances as approved by FPI's Board of Directors. Additionally, during FY 2012, FPI placed renewed emphasis on the use of job share and half time inmate workers. This will allow for an increase in the number of inmates participating in the FPI program while reducing the per-inmate cost of employment.

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

FPI's performance goals support the DOJ's strategic goals and objectives. For FY 2014, a total of 1,950 positions and 1,147 workyears are requested and is the same as the FY 2013 Continuing Resolution. FPI will need the flexibility to increase the workyears quickly as new business development and repatriation work is obtained. Further, \$2,700,000 is established as the Administrative Expenses limitation for the FPI program.

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, the number one cause of inmate unrest and violence in prison, through full time work programs that provide constructive work wherein job skills can be developed and work habits acquired. At the end of FY 2012, FPI employed 13,369 inmates and provided work skills training to help ensure the safe and secure operation of BOP institutions. In this way, FPI plays a vital role in the management of inmates, and also improves the likelihood that inmates will remain law abiding after their release from BOP custody.

A. Organization Chart

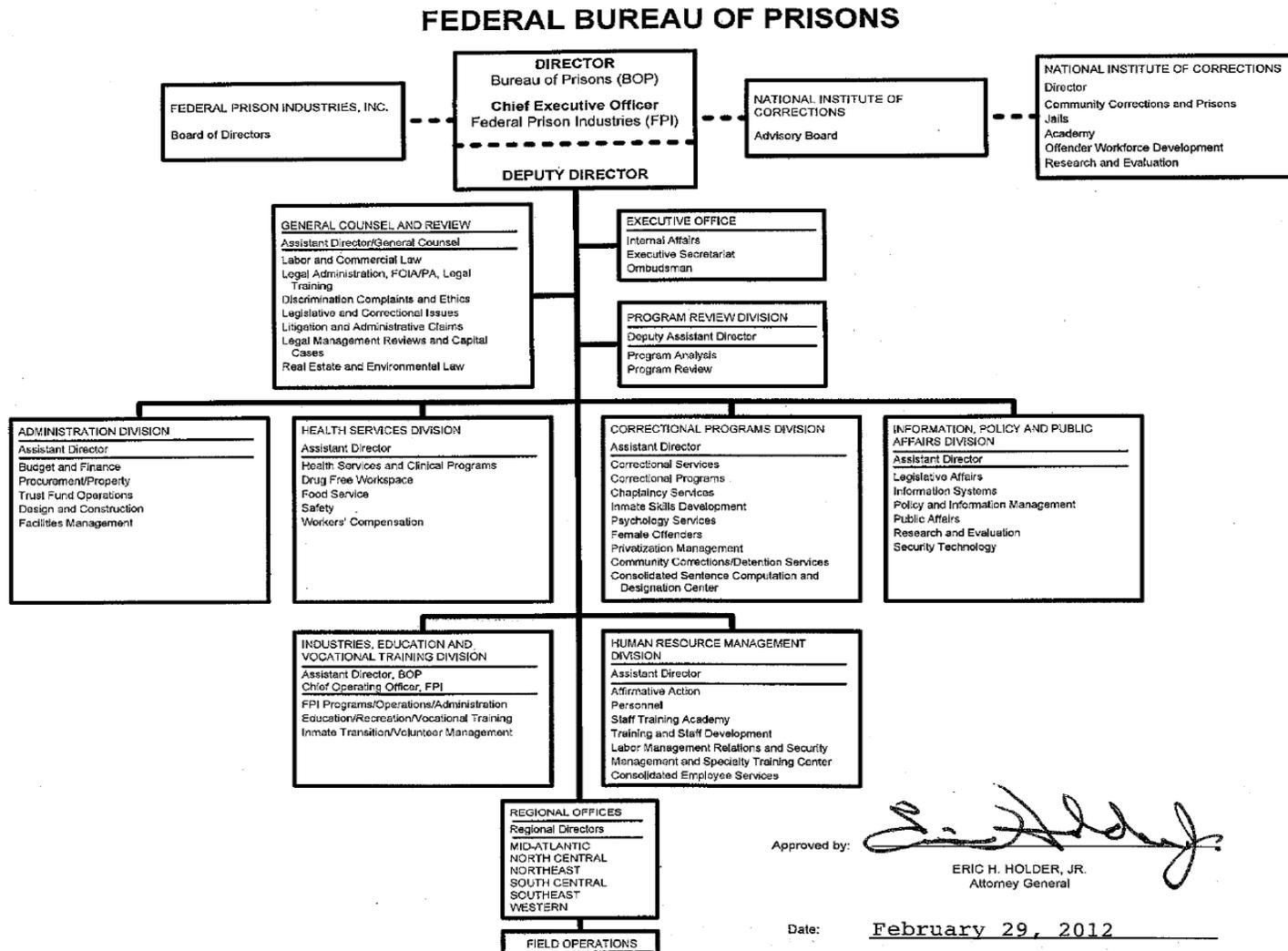


Exhibit A: Organization Chart

**B. Summary of Requirements**

**Summary of Requirements**

Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

	FY 2014 Request		
	Direct Pos.	Estimate FTE	Amount
<b>2012 Actual</b>	<b>1,950</b>	<b>1,213</b>	<b>701,276</b>
2012 Actual			0
<b>Total 2012 Actual</b>	<b>1,950</b>	<b>1,213</b>	<b>701,276</b>
<b>2013 Continuing Resolution</b>	<b>1,950</b>	<b>1,147</b>	<b>701,276</b>
Reduction in Programs	0	0	-34,340
2013 CR 0.612% Increase	0	0	0
<b>Total 2013 Continuing Resolution (with Balance Rescission and Supplemental)</b>	<b>1,950</b>	<b>1,147</b>	<b>666,936</b>
<b>Technical Adjustments</b>			
Adjustment - 2013 CR 0.612%	0	0	0
<b>Total Technical Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Base Adjustments</b>			
Pay and Benefits	0	0	0
Other Adjustments (Adjustment in Investment Activity)	0	0	16,959
<b>Total Base Adjustments</b>	<b>0</b>	<b>0</b>	<b>16,959</b>
<b>Total Technical and Base Adjustments</b>	<b>0</b>	<b>0</b>	<b>16,959</b>
<b>2014 Current Services</b>	<b>1,950</b>	<b>1,147</b>	<b>683,895</b>
<b>Program Changes</b>			
Increases:			
Increase	0	0	0
Subtotal, Increases	0	0	0
Offsets:			
Offset	0	0	0
Subtotal, Offsets	0	0	0
<b>Total Program Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2014 Total Request</b>	<b>1,950</b>	<b>1,147</b>	<b>683,895</b>
<b>2014 Total Request (with Balance Rescission)</b>	<b>1,950</b>	<b>1,147</b>	<b>683,895</b>
2013 - 2014 Total Change	0	0	-17,381

Note: The FTEs for FY 2012 are actuals and estimates are reflected for FY 2013 and FY 2014.

**B. Summary of Requirements**

**Summary of Requirements**

Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

Program Activity	2012 Actual			2013 Continuing Resolution			2014 Technical and Base Adjustments			2014 Current Services		
	Direct Pos.	Actual FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount
Federal Prison Industries, Inc.	1,950	1,213	701,276	1,950	1,147	666,936	0	0	16,959	1,950	1,147	683,895
<b>Total Direct</b>	<b>1,950</b>	<b>1,213</b>	<b>701,276</b>	<b>1,950</b>	<b>1,147</b>	<b>666,936</b>	<b>0</b>	<b>0</b>	<b>16,959</b>	<b>1,950</b>	<b>1,147</b>	<b>683,895</b>
Total Direct			701,276			666,936			16,959			683,895
Reimbursable FTE		0			0			0			0	
Total Direct and Reimb. FTE		1,213			1,147			0			1,147	
Other FTE:												
LEAP		0			0			0			0	
Overtime		0			0			0			0	
Grand Total, FTE		1,213			1,147			0			1,147	

Program Activity	2014 Increases			2014 Offsets			2014 Request		
	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount	Direct Pos.	Est. FTE	Amount
Federal Prison Industries, Inc.	0	0	0	0	0	0	1,950	1,147	683,895
<b>Total Direct</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,950</b>	<b>1,147</b>	<b>683,895</b>
Total Direct			0			0			683,895
Reimbursable FTE		0			0			0	
Total Direct and Reimb. FTE		0			0			1,147	
Other FTE:								0	
LEAP		0			0			0	
Overtime		0			0			0	
Grand Total, FTE		0			0			1,147	

D. Resources by DOJ Strategic Goal and Strategic Objective

Resources by Department of Justice Strategic Goal/Objective

Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

Strategic Goal and Strategic Objective	2012 Actual		2013 Continuing Resolution		2014 Current Services		2014 Increases		2014 Offsets		2014 Total Request	
	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount
<b>Goal 1 Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law</b>												
1.1 Prevent, disrupt, and defeat terrorist operations before they occur.	0	0	0	0	0	0	0	0	0	0	0	0
1.2 Prosecute those involved in terrorist acts.	0	0	0	0	0	0	0	0	0	0	0	0
1.3 Combat espionage against the United States.	0	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal, Goal 1</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Goal 2 Prevent Crime, Protect the Rights of the American People, and enforce Federal Law</b>												
2.1 Combat the threat, incidence, and prevalence of violent crime.	0	0	0	0	0	0	0	0	0	0	0	0
2.2 Prevent and intervene in crimes against vulnerable of violent crime	0	0	0	0	0	0	0	0	0	0	0	0
2.3 Combat the threat, trafficking, and use of illegal drugs and the diver	0	0	0	0	0	0	0	0	0	0	0	0
2.4 Combat corruption, economic crimes, and international organized crime.	0	0	0	0	0	0	0	0	0	0	0	0
2.5 Promote and protect Americans' civil rights.	0	0	0	0	0	0	0	0	0	0	0	0
2.6 Protect the federal fisc and defend the interests of the United State	0	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal, Goal 2</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<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>												
3.1 Promote and Strengthen relationship and strategies for the administration of justice with state, local, tribal and international law enforcement.	0	0	0	0	0	0	0	0	0	0	0	0
3.2 Protect judges, witnesses, and other participants in federal proceedings; apprehend fugitives; and ensure the appearance of criminal defendants for judicial proceedings or confinement.	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Provide for the safe, secure, humane, and cost-effective confinement of detainees awaiting trial and/or sentencing, and those of the custody of the Federal Prison System.	1,213	701,276	1,147	666,936	1,147	683,895	0	0	0	0	1,147	683,895
3.4 Adjudicate all immigration cases promptly and impartially in accordance with due process.	0	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal, Goal 3</b>	<b>1,213</b>	<b>701,276</b>	<b>1,147</b>	<b>666,936</b>	<b>1,147</b>	<b>683,895</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,147</b>	<b>683,895</b>
<b>TOTAL</b>	<b>1,213</b>	<b>701,276</b>	<b>1,147</b>	<b>666,936</b>	<b>1,147</b>	<b>683,895</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,147</b>	<b>683,895</b>

**Note:** Excludes Balance Rescission and/or Supplemental Appropriations.

**E. Justification for Technical and Base Adjustments**

**Justifications for Technical and Base Adjustments**

Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

	Direct Pos.	Estimate FTE	Amount
<b>Other Adjustments</b>			0
1 <u>Adjustment in Investment Activities:</u> An increase of \$16,959,000 is estimated in FY 2014 as an adjustment in investment activity.			
	0	0	16,959
<b>Subtotal, Other Adjustments</b>	<b>0</b>	<b>0</b>	<b>16,959</b>
<b>TOTAL DIRECT TECHNICAL and BASE ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>16,959</b>

F. Crosswalk of 2012 Availability

**Crosswalk of 2012 Availability**

Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

Program Activity	2012 Actual			Balance Rescission			Reprogramming/Transfers			Carryover	Recoveries/ Refunds	2012 Actual		
	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Amount	Amount	Direct Pos.	Actual FTE	Amount
Federal Prison Industries, Inc.	1,950	1,213	701,276	0	0	0	0	0	0	0	0	1,950	1,213	701,276
Administrative Expenses			[2,700]	0	0	0	0	0	0	0	0			[2,700]
<b>Total Direct</b>	<b>1,950</b>	<b>1,213</b>	<b>701,276</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>1,213</b>	<b>701,276</b>
Reimbursable FTE		0			0			0						0
Total Direct and Reimb. FTE		1,213			0			0					1,213	
Other FTE:														
LEAP		0			0			0						0
Overtime		0			0			0						0
Grand Total, FTE		1,213			0			0					1,213	

G. Crosswalk of 2013 Availability

**Crosswalk of 2013 Availability**  
 Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

Program Activity	FY 2013 Continuing Resolution			Supplemental Appropriation	Reprogramming/Transfers			Carryover	Recoveries/Refunds	2013 Availability		
	Direct Pos.	Estim. FTE	Amount	Amount	Direct Pos.	Estim. FTE	Amount	Amount	Amount	Direct Pos.	Estim. FTE	Amount
Federal Prison Industries	1,950	1,147	701,276	0	0	0	0	0	0	1,950	1,147	701,276
Administrative Expenses			[2,700]	0	0	0	0	0	0	0	0	[2,700]
<b>Total Direct</b>	<b>1,950</b>	<b>1,147</b>	<b>\$701,276</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1,950</b>	<b>1,147</b>	<b>\$701,276</b>
Reimbursable FTE		0				0		0			0	
Total Direct and Reimb. FTE		1,147				0		0			1,147	
Other FTE:												
LEAP		0				0		0			0	
Overtime		0				0		0			0	
Grand Total, FTE		1,147				0		0			1,147	

I. Detail of Permanent Positions by Category

**Detail of Permanent Positions by Category**

Federal Prison System

Federal Prison Industries

(Dollars in Thousands)

Category	2012 Actual		2013 Continuing Resolution		2014 Request				
	Direct Pos.	Reimb. Pos.	Direct Pos.	Reimb. Pos.	ATBs	Program Increases	Program Offsets	Total Direct Pos.	Total Reimb. Pos.
Correctional Institution Administration (006)	59	0	59	0	0	0	0	59	0
Clerical and Office Services (300-399)	212	0	212	0	0	0	0	212	0
Accounting and Budget (500-599)	174	0	174	0	0	0	0	174	0
Industrial Hygiene (0690)	2	0	2	0	0	0	0	2	0
Engineering and Architecture Group (800-899)	8	0	8	0	0	0	0	8	0
Attorneys (905)	3	0	3	0	0	0	0	3	0
Business & Industry (1100-1199)	473	0	473	0	0	0	0	473	0
Library (1400-1499)	0	0	0	0	0	0	0	0	0
Equipment/Facilities Services (1600-1699)	6	0	6	0	0	0	0	6	0
Training/Education (1700-1799)	1	0	1	0	0	0	0	1	0
Manufacturing Quality Control Group (1900-1999)	92	0	92	0	0	0	0	92	0
Supply Services (2000-2099)	17	0	17	0	0	0	0	17	0
Transportation (2100-2199)	3	0	3	0	0	0	0	3	0
Information Technology Mgmt (2210)	93	0	93	0	0	0	0	93	0
Ungraded (culinary, farm, mechanical, and constructio	807	0	807	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>1,950</b>	<b>0</b>
Headquarters (Washington, D.C.)	463	0	463	0	0	0	0	463	0
U.S. Field	1,487	0	1,487	0	0	0	0	1,487	0
Foreign Field	0	0	0	0	0	0	0	0	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>1,950</b>	<b>0</b>

**K. Summary of Requirements by Grade**

**Summary of Requirements by Grade**

Federal Prison System

Federal Prison Industries

(Dollars in Thousands)

Grades and Salary Ranges				2012 Actual		2013 Continuing Resolution		2014 Request		Increase/Decrease	
				Direct Pos.	Amount	Direct Pos.	Amount	Direct Pos.	Amount	Direct Pos.	Amount
EX	\$	145,700	-	199,700	0	0	0	0	0	0	0
SES/SL	\$	119,554	-	179,700	2	0	2	0	2	0	0
GS-15	\$	123,758	-	155,500	17	0	17	0	17	0	0
GS-14	\$	105,211	-	136,771	68	0	68	0	68	0	0
GS-13	\$	89,033	-	115,742	229	0	229	0	229	0	0
GS-12	\$	74,872	-	97,333	269	0	269	0	269	0	0
GS-11	\$	62,467	-	81,204	226	0	226	0	226	0	0
GS-10	\$	56,857	-	73,917	4	0	4	0	4	0	0
GS-9	\$	51,630	-	67,114	217	0	217	0	217	0	0
GS-8	\$	46,745	-	60,765	46	0	46	0	46	0	0
GS-7	\$	42,209	-	54,875	37	0	37	0	37	0	0
GS-6	\$	37,983	-	49,375	7	0	7	0	7	0	0
GS-5	\$	37,075	-	44,293	7	0	7	0	7	0	0
GS-4	\$	30,456	-	39,590	9	0	9	0	9	0	0
GS-3	\$	27,130	-	35,269	0	0	0	0	0	0	0
GS-2	\$	24,865	-	31,292	0	0	0	0	0	0	0
GS-1	\$	22,115	-	27,663	0	0	0	0	0	0	0
Ungraded Positions				812	0	812	0	812	0	0	0
<b>Total, Appropriated Positions</b>				<b>1,950</b>	<b>0</b>	<b>1,950</b>	<b>0</b>	<b>1,950</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Average SES Salary</b>					<b>164,367</b>		<b>164,367</b>		<b>164,367</b>		
<b>Average GS Salary</b>					<b>77,168</b>		<b>76,781</b>		<b>76,781</b>		
<b>Average GS Grade</b>					<b>12</b>		<b>12</b>		<b>12</b>		

L. Summary of Requirements by Object Class

Summary of Requirements by Object Class

Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

Object Class	2012 Actual		2013 Availability		2014 Request		Increase/Decrease	
	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount
11.1 Full-Time Permanent	1,213	92,791	1,147	93,499	1,147	92,058	0	-1,441
11.3 Other than Full-Time Permanent	0	0	0	0	0	0	0	0
11.5 Other Personnel Compensation	0	1,832	0	884	0	884	0	0
<i>Overtime</i>	0	0	0	0	0	0	0	0
<i>Other Compensation</i>	0	1,832	0	884	0	884	0	0
11.8 Special Personal Services Payments	0	32,401	0	38,382	0	38,382	0	0
<b>Total</b>	<b>1,213</b>	<b>127,024</b>	<b>1,147</b>	<b>132,765</b>	<b>1,147</b>	<b>131,324</b>	<b>0</b>	<b>-1,441</b>
<b>Other Object Classes</b>								
12.0 Personnel Benefits		47,415		48,500		44,556		-3,944
13.0 Benefits for former personnel		0		0		0		0
21.0 Travel and Transportation of Persons		3,875		3,806		3,806		0
22.0 Transportation of Things		3,252		3,166		3,166		0
23.1 Rental Payments to GSA		0		0		0		0
23.2 Rental Payments to Others		384		386		386		0
23.3 Communications, Utilities, and Miscellaneous Charges		14,522		14,557		15,207		650
24.0 Printing and Reproduction		721		921		921		0
25.1 Advisory and Assistance Services		0		0		0		0
25.2 Other Services from Non-Federal Sources		12,492		12,536		12,936		400
26.0 Supplies and Materials		483,748		448,500		463,893		15,393
31.0 Equipment		2,480		4,500		5,000		500
93.0 Administrative Expenses		1,760		2,700		2,700		0
<b>Total Obligations</b>		<b>697,673</b>		<b>672,337</b>		<b>683,895</b>		<b>11,558</b>
Unobligated Balance, Start-of-Year		-154,816		-158,419		-153,018		5,401
Transfers/Reprogramming		0		0		0		0
Recoveries/Refunds		0		0		0		0
Unobligated End-of-Year, Available		158,419		153,018		153,018		0
Unobligated End-of-Year, Expiring		0		0		0		0
<b>Total Direct Requirements</b>	<b>0</b>	<b>701,276</b>	<b>0</b>	<b>666,936</b>	<b>0</b>	<b>683,895</b>	<b>0</b>	<b>16,959</b>
Reimbursable FTE								
Full-Time Permanent	0		0		0		0	
23.1 Rental Payments to GSA (Reimbursable)		0		0		0		0
25.3 Other Goods and Services from Federal Sources - DHS Security (Reimbursable)		0		0		0		0

M. Summary of Change

**Summary of Change**

Federal Prison System  
 Federal Prison Industries  
 (Dollars in Thousands)

	FY 2014 Request		
	Direct Pos.	Estimate FTE	Amount
<b>2012 Actual</b>	<b>1,173</b>	<b>1,173</b>	<b>701,276</b>
<b>2013 Continuing Resolution</b>	<b>1,950</b>	<b>1,147</b>	<b>701,276</b>
Reduction in Programs	0	0	-34,340
<b>Total 2013 Continuing Resolution</b>	<b>1,950</b>	<b>1,147</b>	<b>666,936</b>
<b>Technical Adjustments</b>			
Adjustment - 2013 CR 0.612%	0	0	0
<b>Total Technical Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Base Adjustments</b>			
Adjustment in Investment Activity	0	0	16,959
<b>Total Base Adjustments</b>	<b>0</b>	<b>0</b>	<b>16,959</b>
<b>Total Technical and Base Adjustments</b>	<b>0</b>	<b>0</b>	<b>16,959</b>
<b>2014 Current Services</b>	<b>1,950</b>	<b>1,147</b>	<b>683,895</b>
<b>Program Changes</b>			
Increases	0	0	0
Subtotal, Increases	0	0	0
Offsets	0	0	0
Subtotal, Offsets	0	0	0
<b>Total Program Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2014 Total Congressional Request</b>	<b>1,950</b>	<b>1,147</b>	<b>\$683,895</b>