

## Getting Florida's Prison Industries Training Program Back on Track

The Board of Directors and management of Prison Rehabilitative Industries and Diversified Enterprises (PRIDE), working in partnership with the Department of Corrections, must act decisively to revamp a worthwhile but under performing initiative.

Since July 1, 1984, Florida's inmate training program has been operated by PRIDE, a non-profit manufacturing and services corporation. Unique among state prison industries programs, PRIDE was founded under the leadership of the late drugstore magnate Jack Eckerd, working in partnership with Governor Bob Graham and the Legislature. PRIDE is governed by a ten-member Board of Directors appointed by the Governor and confirmed by the Florida Senate, plus the Secretary of the Department of Corrections. The corporation receives no state appropriations; its operations are funded from the sale of products to the public and private sectors.

Florida law directs that the prison industries program's missions are to help reduce prisoner recommitment, support prison security by reducing inmate idleness, help offset incarceration costs by operating industries that are profitable to the state, and teach inmates how to succeed in a private enterprise environment following their release.

After taking over the program from the Department of Corrections in 1984, prison industries sales and profits increased for a decade and PRIDE was given high marks for creating business-like work environments in more than 40 industries throughout prisons statewide. During the past decade, however, PRIDE's sales declined by one-third and the number of inmate workers stagnated at approximately 2,500 while the prison population more than doubled to nearly 90,000.

A 1989 Florida TaxWatch report, *Is Florida's Prison Industries Experiment Succeeding?* stressed the need to assure an adequate supply of inmate labor for prison industries, avoid the use of non-inmate labor in production processes, eliminate anti-competitive statutory provisions, and measure the impact of prison industries on reducing inmate recidivism.

A 2003 Florida TaxWatch follow-up study examining how well PRIDE was accomplishing its statutory missions was put on hold as the Legislature's Office of Program Policy Analysis and Government Accountability and the Governor's Inspector General examined PRIDE's late 1990s corporate restructuring and fiscal stewardship – particularly regarding millions of dollars of unpaid loans to one of PRIDE's affiliate companies, Industries Training Corporation (ITC).

Associated concerns were PRIDE's failure to increase prisoner training and reduce idleness, and non-performance of lease provisions requiring PRIDE to pay 50% of its adjusted net income from operating profitable prison industries in state facilities.

In a January 2005 *St. Petersburg Times* article, PRIDE acknowledged that its now-severed alliance with ITC may have financially compromised PRIDE's performance and Governor Bush -- in announcing five new board members -- stated that PRIDE is accepting his Inspector General's financial planning, management, investment and executive compensation recommendations.

In a recent meeting with Florida TaxWatch, executives of PRIDE acknowledged that the firm has "bottomed out" and stated their unwavering commitment to re-focus PRIDE on performance of its core statutory missions over the next 18-months. Florida TaxWatch will monitor PRIDE's recovery and issue a report in August 2006 addressing issues such as:

- ▶ How Florida's prison industries program compares with other states;
- ▶ Where/why PRIDE has succeeded and fallen short in its recovery and accomplishment of the prison industries program's statutory missions;
- ▶ How well PRIDE is adapting to changing market conditions in order to increase the sale of prison industries products; and
- ▶ The effectiveness of PRIDE's partnership with the Department of Corrections in reducing inmate idleness and violence that affect prison security, and in improving the rate of inmate training completion (currently about 30%) to boost the likelihood of post-release success and recidivism reduction.

#### ACKNOWLEDGEMENT

*Florida's prison industries program and related correctional issues have been reviewed extensively over the past decade. In addition to the work of the Office of Program Policy Analysis and Government Accountability and the Governor's Inspector General's Office cited above, Florida TaxWatch acknowledges constructive contributions made by the Florida Corrections Commission, the Auditor General's Office, the Senate and House Criminal Justice Committees, and the Department of Corrections and PRIDE.*

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[www.floridatxwatch.org](http://www.floridatxwatch.org) where this *Research Report* was initially released before being printed in hardcopy format.

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## *About Florida TaxWatch*

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Florida TaxWatch is a private, non-profit, non-partisan research institute that over its 25 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government.

Florida TaxWatch's empirically sound research recommends productivity enhancements and explains the statewide impact of economic and tax and spend policies and practices on citizens and businesses. Florida TaxWatch has worked diligently and effectively to help state government shape responsible fiscal and public policy that adds value and benefit taxpayers.

This diligence has yielded impressive results: since 1979, policy makers and government employees have implemented three-fourths of Florida TaxWatch's cost-saving recommendations, saving the taxpayers of Florida more than \$6.2 billion--approximately \$1,067 in added value for every Florida family.

The organization enjoys a credible reputation and statewide exposure with the television, radio and newspaper media, which regularly report on its research and recommendations.

Florida TaxWatch has a historical understanding of state government, public policy issues, and the battles fought in the past necessary to structure effective solutions for today and the future. It's the only statewide organization devoted entirely to Florida taxing and spending issues.

Supported by voluntary, tax-deductible memberships and grants, Florida TaxWatch is open to any organization or individual interested in helping to make Florida competitive, healthy and economically prosperous by supporting a credible research effort that promotes constructive taxpayer improvements. Members, through their loyal support, help Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, philanthropic foundations, professionals, associations, labor organizations, retirees--simply stated, the taxpayers of Florida. The officers, Board of Trustees and members of Florida TaxWatch are respected leaders and citizens from across Florida, committed to improving the health and prosperity of Florida.

With your help, Florida TaxWatch will continue our diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and that government agencies are more responsive and productive in the use of your hard-earned tax dollars.

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