

# Issue Brief

## OREGON CORRECTIONS ENTERPRISES



# Laundry Services

## Overview

Established in 1999 through the passage of Ballot Measure 68, Oregon Corrections Enterprises (OCE) is a semi-independent organization, whose administrator reports to the director of the Oregon Department of Corrections (DOC). OCE plays an important role in carrying out Ballot Measure 17, the constitutional mandate to engage male and female adults in custody (AICs) in meaningful work. ***By statute, OCE is funded solely through the sales of its products and services.***

The mission of OCE, in partnership with DOC, is to promote public safety by providing AICs with meaningful work experience in a self-sustaining organization. OCE plays an important role in implementing DOC's Oregon Accountability Model (OAM). The OAM is a cohesive strategy to reduce recidivism and influence AICs to make effective changes, leading to better outcomes. Through the development of positive work ethics and job skills, OCE assists AICs in their transition to realizing their potential as productive citizens, creating positive outcomes, while contributing to society and their families.

## Reducing the Cost of Health Care

Since 1989, OCE has focused its efforts on providing quality economic laundry service to the health care industry. OCE is currently serving 33 customers in the health care industry, including public and privately operated hospitals.

OCE is committed to reducing the cost of health care. OCE is able to offer many labor intensive specialized services for customers in the health care industry at a competitive cost. This gives customers maximum flexibility and cost-effective packaging options to reduce the overall cost of their linen management programs. Upon request, OCE provides linen management consulting services to health care industry customers.

OCE estimates it has been able to reduce laundry costs for health care industry customers by an average of 35 to

40 percent. Hospitals and medical providers' offices are able to use the savings to address other essential needs. In turn, laundry revenues have enabled OCE to expand its investment in work skills training for AICs.

## Laundry Operations

### Laundry Processed in Fiscal Year 2019

	<i>Pounds</i>	<i>Percentage</i>
DOC	7.8 Million	24%
Hospitals	24.3 Million	75%
All Other	.4 Million	1%
TOTAL	32.5 Million	100%

In addition to two facilities dedicated to processing laundry for DOC, OCE has commercial laundry operations in three DOC correctional facilities around the state. Since 1999, OCE has provided laundry service for state and local correctional facilities, state hospitals, universities, hotels, physician clinics, long-term care facilities, residential treatment facilities, and community hospitals. In 2019, 636 (or 43%) of AICs assigned to OCE were participating in OCE laundry programs.

## Laundry Service Benchmarks

- OCE has a bulk rate for large customers. Competitors use "Creative Costing." In the spirit of transparency and accountability OCE customers are charged a flat rate per pound for bulk processing. Any extra services such as pressing, folding, and packaging result in easily identifiable cost increases.
- A national commercial laundry consultant (Ecolab) develops all wash programs for specific types of linens to ensure proper garment outcomes.
- OCE Laundry Production Managers are certified by the Association for Linen Management and trained to meet commercial laundry industry standards.
- The OCE laundry follows all CDC (Center for Disease and Control) standards of infection control and prevention for transporting, sorting, washing, drying, and handling soiled and clean linen.

- Water reclamation and heat and recovery systems have been installed in all OCE laundry facilities over the last 10 years. In the Oregon State Penitentiary operation alone, OCE saves an average of 10 million gallons of water every year.

## OCE's Contributions

### Work Skills Certification and Re-entry

Similar to the Federal Job Corps model, participating AICs gain entry-level experience with technical and industry-specific skills as well as develop pro-social skills and work ethic. They learn decision-making, social interaction, teamwork, reliability, and accountability. The programs strive to duplicate a real-world experience to prepare AICs for job readiness on the outside.

OCE administers industry-recognized Bureau of Labor and Industries (BOLI) training programs. Through these programs, qualified AICs develop the skills and attitudes needed to enhance their opportunities to secure employment upon release.

### Benefiting the Citizens of Oregon

OCE purchases as much as possible of its raw material needs from Oregon companies, contributing to the success of local business. A 2018 study by ECONorthwest shows, for every million dollars produced by OCE, \$690,800 is re-spent along the supply chains in the state, compared to \$346,500 for private sector counterparts. OCE direct employees are primarily management and executive-level jobs, while the private sector includes low- and high-skill labor. In total, OCE pays more in total wages, which has a net positive induced effect on Oregon's economy.

OCE regularly evaluates its programs to discover additional ways to operate in a more environmentally-friendly manner. OCE works to align its business practices with state initiative by utilizing environmentally friendly practices to include chemicals, soy based inks, and water reclamation. Throughout our facilities we have reduced the use of harmful chemicals. We use environmentally friendly custodial cleaning products, water-based finishing stains, and vibrant soy-based printing inks. Our water reclamation system saves an estimated 10 million gallons of water per year. We also work with local recyclers to process the scrap metal, allowing it to be melted back down and made into usable products.

OCE also makes every effort to keep as many AICs working as financially possible. AICs contribute part of their earnings toward meeting obligations for child support, state and federal taxes, court-imposed fines, and victims' assistance fund. Each year OCE reimburses DOC millions for performance recognition awards and wages for the AICs for the successful completion of their assignments. The costs of OCE programs are not funded by taxpayer dollars, yet the program still benefits the state by avoiding criminal justice system costs. A 2017 report by the Oregon Criminal Justice Commission concluded for every dollar invested with OCE, the citizens of Oregon avoid \$5.20 in recidivism costs.

### Contributing to Public Safety

When AICs have productive activities to occupy their time, Oregon's prisons are safer. Working with DOC, OCE seeks partnerships with other agencies and private organizations to provide work and training programs for AIC that mirror real-world job experiences as much as possible. OCE holds AICs accountable for their actions, and these adults understand a prerequisite for participating in OCE programs is to maintain good institutional conduct. Based on the OAM, DOC, and OCE staff members help AICs by role modeling, redirecting AIC behavior, and reinforcing positive performance.



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