SOUTH DAKOTA DEPARTMENT OF CORRECTIONS POLICY AND PROCEDURE		POLICY NUMBER 800-02	PAGE NUMBER 1 OF 4
		DISTRIBUTION:	Public
		SUBJECT:	Correctional Industries
RELATED STANDARDS:	**ACA 5-ACI-7A-04, 7A-08, 7A-09, 7A-10, 7A-12**	EFFECTIVE DATE:	August 01, 2026
		SUPERSESSION:	08/01/2025
DESCRIPTION: Correctional Industries and Vocational Programs	REVIEW MONTH: July	**NICK LAMB** **SECRETARY OF CORRECTIONS**	

I. POLICY

It is the policy of the South Dakota Department of Corrections (DOC) to operate and oversee correctional industries, Pheasantland Industries, and to provide goods, services, and products for purchase and use by state and federal governmental agencies, non-profit organizations, and state employees, in accordance with SDCL chapter 24-7.

II. PURPOSE

The purpose of this policy is to provide guidelines for the operating authority of Pheasantland Industries (PI), the responsibilities of the Pheasantland Industries associate director, fiscal responsibilities, employment of offenders, and requirement of an annual report.

III. DEFINITIONS

Pheasantland Industries:

Department of Corrections owned and operated industries, in accordance with South Dakota codified law. Industries employ offenders and staff to provide products and services, which are offered for sale to eligible government agencies and subdivisions thereof, nonprofit organizations, and individuals.

Pheasantland Industries Associate Director:

The secretary of corrections may appoint an associate director of prison industries who shall supervise the operation of the various prison shops. The working title of this position is Pheasantland Industries associate director.

IV. PROCEDURES

1. Establishment and Operating Authority:

A. The DOC Correctional Industries operates under the business name "Pheasantland Industries" (PI) ***providing opportunities for offender employment in either correctional industries, facility maintenance, operations, public works, or community projects*** **[ACA 5-ACI-7A-04]**.***Where an industries program exists, there will be a statute and/or written policy and procedure that authorizes the establishment of an industries program and delineates the areas of authority, responsibility, and accountability for the program*** **[ACA 5-ACI-7A-08]**.

B. ***The security and program determinations necessary for any individual to be eligible for industries work are made by the classification committee*** **[ACA 5-ACI-7A-09]**.

C. PI consists of the following shops: license plates, print, braille, cabinet, sign, garment,, upholstery, and commissary warehouse. ***The number of offenders assigned to industries operations meets the realistic workload needs of each industries operating unit*** **[ACA 5-ACI-7A-10]**.

D. The operation of any industry within PI shall be consistent with DOC policy and directives, as well as local, state, and federal laws.

E. Any agency contracting for products produced by PI will pay the set cost/price of the product.

F. Offenders are not permitted to purchase products produced by Pheasantland Industries.

2. Associate Director of Pheasantland Industries:

A. The PI associate director shall sell the products produced by the various prison industries to federal and state agencies, nonprofit organizations, and state employees as defined in DOC policy 800-01 – *Pheasantland Industries Sales to State Employees*.

B. All contracts for materials used in manufactured products, containers, machinery, repairs, and services shall be made and executed by the PI associate director, with the approval by the secretary of corrections (SOC) or designee.

C. With approval from the SOC, the director of Finance and Administration is the custodian of all PI contracts, with the exception of contracts for materials, which is the responsibility of the PI associate director.

D. The PI associate director is responsible for marketing and advertising to promote the products and services produced by the industries and the management of contracts for materials.

3. Fiscal Responsibilities:

A. ***A cost accounting system for each operating industries unit is designed, implemented, and maintained in accordance with generally accepted accounting principles*** **[ACA 5-ACI-7A-12]**.

B. A PI revolving fund will be available for the operation of the various prison industries.
   1. Receipts from the sale of goods and services will be deposited in the revolving fund.
   2. Authorized expenses of PI will be paid from the revolving fund.
   3. At the end of the fiscal year, the state treasurer shall transfer any cash balance in excess of five hundred thousand dollars ($500,000) from the prison industries revolving fund to the state general fund.

C. No funds, other than those designated for normal operating costs and replacement of existing necessary equipment, may be expended from the revolving PI fund for the purposes of enhancement, development, or expansion of PI without approval of the Corrections Commission.

D. Any plan that requires official action from the Corrections Commission must be communicated to the director of Prisons, director of Finance and Administration, and the SOC.
   1. Information describing the proposed action must be prepared in advance for dissemination to the Corrections Commission for review and consideration prior to the commission taking formal action on the proposed action
   2. The meeting shall be open to public comment, consistent with state open meeting laws.

E. The PI associate director will maintain separate accounts to clearly show the financial condition of each separate prison industry.

F. The PI associate director shall be the custodian of all monies and property assigned to the industries and shall keep accurate account of all proceedings and transactions, and make all reports, requisitions, and statements as directed by the SOC or designee.

4. Employment of Offenders:

A. An offender's, custody level, classification, risk, aptitude, experience, and abilities (based on tests and interviews):
   1. Shall be reviewed by DOC and PI staff when considering an offender for any job within PI. Offenders will be considered for work assignments within PI according to the risk assigned to the offender and risk assessment score assigned to the work site/assignment, in accordance with DOC policy.

B. The PI associate director shall use offender labor in the operation of PI and shall pay wages to offenders within the limits fixed by the SOC.
   1. Wages paid to offenders by PI are subject to processes and procedures regarding deposit and disbursement, as set forth by state and federal withholding laws.

C. Offenders working in PI must notify the shop foreman in advance of any scheduled class, program, or appointment which requires the offender to be absent from their work schedule.

D. No offender has any implied right or expectation to work in any particular job. Offenders are subject to transfer or removal from any job assignment. Nothing in this policy or its application may be the basis for establishing a constitutionally protected liberty, property, or due process interest in any offender.

E. No offender seeking employment or employed with PI shall be discriminated against on the basis of race, gender, sexual orientation, national origin, disability, religion, or other protected status. PI shall make reasonable accommodations for offenders, consistent with safety, security, and the legitimate penological interests of the DOC.

F. Offender participation and employment within PI is strictly voluntary. Offenders removed from employment with PI have no right to continued employment or due process. Offenders assigned to jobs within PI are not employees of the state or PI for the purpose of protections granted under the federal Fair Labor Standards Act and are not entitled to federal minimum wage or prevailing wages.

G. Offenders must be qualified and able to perform the essential functions of the job they are assigned, with or without a reasonable accommodation. PI retains the right to hire the best qualified offender applicant for the job.

5. Environmental Health Program at Pheasantland Industries:

A. PI and its staff will develop work-related environmental health programs that will include the following:
   1. Assigning eligible offender workers who are physically and mentally able to perform the duties required of the job to a job assignment.
   2. Providing working conditions which conform to applicable federal, state, and local laws and regulations.
   3. Participating in health, fire, risk, and safety inspections conducted at least annually by designated state inspectors/agencies as outlined in DOC policy 300-03 – *Sanitation, Safety and Fire Prevention Inspections*.
   4. Designating appropriately trained staff to participate in regular inspections of designated areas of PI accessible to staff and offenders to ensure compliance with all safety and security requirements and to identify and resolve any deficiency.

6. Annual Report of Activities of Pheasantland Industries:

A. The SOC will submit an annual report to the governor and the legislature setting out all the activities of PI during the previous year on or before the first legislative day of session.
   1. The annual report will include financial summaries of all activities of PI and a listing of all contracts.
   2. The annual report will also include a summary of any significant activities planned for the upcoming year.

V. RESPONSIBILITY

It is the responsibility of the director of Finance and Administration to annually review and revise this policy.

VI. AUTHORITY

A. SDCL Chapter 24-7 **State Prison Industries**
B. SDCL § **1-15-1.13 Corrections Commission--Members--Terms--Purpose.**
C. SDCL § **24-2-27 Facilities, programs, or services outside correctional facilities--Contracts with other agencies for care of inmates--No right or court order for housing in particular facility or participation in specific program or services--Escape.**
D. SDCL § **24-4-7 Inmate employment on any state work--Provisions for control.**
E. SDCL § **24-7-1 State prison industries--Operation--New industry.**
F. SDCL § **24-7-5 Appointment of director of prison industries.**
G. SDCL § **24-7-6 Use of inmate labor--Wages.**
H. SDCL § **24-7-7 Prison industries revolving fund moneys available.**
I. SDCL § **24-7-8 Separate account for each prison industry.**
J. SDCL § **24-7-9 Surplus in prison industries revolving fund transferred to general fund.**
K. SDCL § **24-7-10 Director as custodian of all moneys and property--Duty to keep accounts--Authority to install accounting systems--Bond required.**
L. SDCL § **24-7-15 Contracts by director of prison industries with approval of secretary.**
M. SDCL § **24-7-16 Sale of products.**
N. SDCL § **24-7-32 State departments required to purchase from license plant--License plant required to sell at cost.**
O. SDCL § **24-7-33 Payment for goods--Disposition of moneys.**
P. SDCL § **24-7-37 Annual report of activities of prison industries.**

VII. HISTORY

August 2026
August 2025
August 2024
July 2023
May 2022
December 2019

ATTACHMENTS

None.