

Customer Council Meeting Minutes



Maryland Correctional Enterprises

Location: Virtual

Date: July 22, 2025

Time: 10:00am

MCE Staff:

Tara Smith

Stephen Sanders

Todd Deak

Council Members:

AGENCY	REPRESENTATIVE	PRESENT (Y/N)
CHIEF EXECUTIVE OFFICER (MCE)	Stephen Sanders	Y
DEPARTMENT OF BUDGET AND MANAGEMENT	Katherine Thomson	Y
DEPARTMENT OF COMMERCE	Rachel Cruse	Y
DEPARTMENT OF GENERAL SERVICES	Cristen Swindle	Y
MARYLAND DEPARTMENT OF HEALTH	Calvin Johnson	N
DEPARTMENT OF HUMAN SERVICES	Vacant	
DEPARTMENT OF TRANSPORTATION	Valerie Radomsky	Y
MD HIGHER EDUCATION COMMISSION	Daniel Schuster	N
CUSTOMER (DPSCS)	Latoya Gray	N
CUSTOMER (DEPARTMENT OF JUVENILE SERVICES)	Joseph Hester	Y
CUSTOMER (MOTOR VEHICLE ASSOCIATION)	Jessica Mettle	Y

CEO Update - Stephen Sanders, Chief Executive Officer

- **Welcome Customer Council Members.**
- **Thank you all for your continued dedication and support of our program.**
- **For our sales updates:**
 - **Total Sales for FY 25: \$56,675,465**
 - **FY 26 Sales as of July 17 are \$1,508,878**
- **The MCE program participant count at the end of June FY 2025 was 1075.**
 - **Our program participant target for the end of FY25 was 1,165. However, due to circumstances beyond our control, attaining this goal was no in the best interest of the organization. There is just not enough work in the shops to justify additional hiring or to keep the program participants busy.**
 - **This is a direct result of the reductions in the State budget plan to address the \$3.3 Billion dollar deficit for the State of Maryland.**

- MCE, as a self-supporting State Agency, rely on the support of our small but dedicated customer base of State and Local government, State Universities and Colleges and nonprofits. We cannot sell to the public. Our sales support the program and pay the salaries for our State employees as well as the stipends for our program participants. We have never seen a reduction in incoming sales like this, all at once across all of our divisions.
 - To illustrate the impact on MCE, please allow me to share the following data:
 - June 2024. Incoming sales (future orders) for MCE total was \$53,198,997.62.
 - As of June 30, 2025, MCE sales for FY 2025 were \$55,675,465.
 - You can see the correlation between incoming sales last June and our total sales this June.
 - June 2025. Incoming sales for MCE total as of June 10, 2025 was only \$29,208,078.96.
 - This correlation has been true for many years.
 - Normally, incoming sales are an indicator of what we can expect to see in total sales at the end of the FY.
 - The reality is the plants are slow.
 - In light of this data, MCE will take steps to minimize the impact through a reduction in force for both civilian and incarcerated individuals. We will do this through attrition. In addition, we will combine business units where we can to minimize cost and maximize production capabilities. Curtail overtime and investigate new products and business opportunities to expand our offerings.
- Our current civilian staff vacancy rate is 16%. This is the lowest vacancy rate for MCE in recent history.
 - With the current hiring freeze in place, MCE is positioned well in all areas aside for professional CDL truck drivers. To compensate, MCE has contracted with an outside trucking agency to assist in product deliveries.

MCE Fiscal Updates:

- Tariffs on all countries around the world may have an impact on MCE.
- At the top of the list, Tariffs on Chinese goods announced by the President will have a considerable impact on the prices of many of our products. MCE is doing everything we can to lessen these impacts.
- Tariffs on Chinese goods are at 30%.
- The uncertainty of the trade war makes it difficult for any company to navigate and make plans for the future. Rest assured that MCE is working to minimize this impact on our valued customer base.
- Due to the fluctuations in pricing from our vendors, MCE will not be printing a paper catalog this fiscal year until we see pricing stabilize. We will continue to have our digital catalog online.

Sales Update – Todd Deak, Director of Sales

- **Incoming Orders Processed:**
 - **FY25 Total: \$31.6M (FY24 Total: \$53.2M)**
 - **Website (values included in above totals) FY25 Total: 907k (FY24 Web Total: 889k)**
 - **FY26 July: 4.4M (Last July: 5.5M)**
 - **FY26 Website (values included in above totals) July: 68k (Last July: 63k)**
- **Current / Upcoming Projects to be Installed:**
 - **UMES Agricultural Research & Education Bldg. (Now pushed to Nov. Install Date)**
 - **UMCES Chesapeake Biological Lab (Install Date Dec.)**
 - **HCC (Chesapeake Welcome Ctr. Ph2 (Now Pushed to Oct. Install Date)**
 - **UMBC Sherman Hall West Wing PO came in last week (Install Date Aug)**
 - **PG Comm. College Marlboro Hall (Classroom Tables) (Aug Install Date)**
 - **MD School for the Deaf VEDITZ Bldg.**
 - **Cecil Comm. College (Facilities Bldg.) (Sept Install Date)**
- **Projects in Design Mode:**
 - **PG Comm. College Marlboro Hall (Offices)**
 - **MSP Tactical Bldg.**
 - **SU (Blackwell Hall)**
 - **AACC (Florestano Bldg.)**
 - **UMCP (HHSC)**
- **General:**
 - **Next Products Committee Meeting July 30th (New England Woodcraft, LaCasse and Swiftspace)**
 - **New Customer Service Rep. to start Aug 6th.**
 - **Clearance offerings still available**

Marketing Update – Tara Smith, Director of Marketing

- **The FY26 catalog is now live on the MCE website.**
- **We will not provide a print version of the catalog at this time. The catalog can be downloaded from the MCE website. Please keep in mind that changes may be made to the catalog such as corrections and/or product removals, so I suggest that you download a new copy of the catalog at least once a month to ensure that you have the most up to date copy.**
- **The website is also a great resource to utilize to receive the most accurate and up-to-date information.**

- In the coming weeks we will be adding a Quick Ship catalog as well as a Mini Chair catalog to the website for download. We will also shoot out a blast email to staff and customers.
- We made several changes to the FY26 catalog including:
 - Price changes of approximately 150 items
 - Item number changes
 - New Product additions
 - Product removals
- We added nine (9) new chairs:
 - Two (2) Guest-Side Chairs
 - Five (5) Task Chairs – one of those chairs is available in our Quick Ship program
 - Two (2) Conference Chairs
- We also added a new Credenza with Storage Cabinet to our Harbor Furniture Collection. This item is also available in our Quick Ship program.
- As previously mentioned, we will have our next New Products Committee meeting next week, Wednesday, July 30th. We are considering a few new products from vendors that presented at past NPC meetings. So these quarterly meetings are going well as they are providing MCE the opportunity to add new and more modernized items. We invite customers to the meetings as well which allows them to provide MCE feedback on the products that were presented.
- MCE will be attending the MACo Convention in August in Ocean City. We will feature some of our new seating as well as one of our newer Casegoods that was added last year in FY25.

Council Member Reports

Jessica Mettle: I feel like I have been working with MCE for about 20 years now. We submitted an order at the end of the Fiscal year. Todd and his team did an exceptional job with processing the order and getting everything out to multiple sites throughout the State. This is probably the first time we submitted a PO on a Friday and had things going out for delivery by Monday. I just want to share that the customer service was exceptional. Premiere customer service by MCE and I thank you all for that.

Stephen Sanders: Thank you so much. That really means a lot to hear that. Thank you for sharing.

Todd Deak: Thank you so much. We are really glad to hear that. Much appreciated.

Next Customer Council Meeting: October 21, 2025 at 10:00am (Virtual)

*Maryland Correctional Enterprises***Location:** Virtual**Date:** October 21, 2025**Time:** 10:00am**MCE Staff:**

Tara Smith

Stephen Sanders

Todd Deak

Council Members:

AGENCY	REPRESENTATIVE	PRESENT (Y/N)
CHIEF EXECUTIVE OFFICER (MCE)	Stephen Sanders	N
DEPARTMENT OF BUDGET AND MANAGEMENT	Katherine Thomson	Y
DEPARTMENT OF COMMERCE	Rachel Cruse	Y
DEPARTMENT OF GENERAL SERVICES	Cristen Swindle	Y
MARYLAND DEPARTMENT OF HEALTH	Calvin Johnson	N
DEPARTMENT OF HUMAN SERVICES	Vacant	
DEPARTMENT OF TRANSPORTATION	Valerie Radomsky	N
MD HIGHER EDUCATION COMMISSION	Daniel Schuster	Y
CUSTOMER (DPSCS)	Latoya Gray	N
CUSTOMER (DEPARTMENT OF JUVENILE SERVICES)	Joseph Hester	Y
CUSTOMER (MOTOR VEHICLE ASSOCIATION)	Jessica Mettle	N

CEO Update – Tara Smith, Director of Marketing

- **Welcome Customer Council Members.**
- **Thank you all for your continued dedication and support of our program.**
- **For our sales updates:**
 - **Total Sales for FY 25: \$56,675,465.00**
 - **FY 26 Sales as of October 17, 2025: \$15,325,794.00**
 - **FY 25 October Sales were: \$21,842,914.00**
 - **We are approximately \$6 million behind last year's sales**
 - **Incoming sales are off due to the drastic decrease in our small but loyal customer base.**
 - **Potential total sales for FY 26 based on the current monthly average is \$45,977,382.24.**
 - **Shy of our MFR target of \$50 million per year.**
- **The MCE program participant count at the end of June FY 2025 was 1075.**
 - **Our program participant count is currently at 968.**

- This is a direct result of the reductions in agency spending to address the \$3.3-billion-dollar deficit for the State of Maryland.
- In light of this data, MCE has taken steps to minimize the impact through a reduction in force for both civilian and incarcerated individuals. We will do this through attrition.
- Our current civilian staff vacancy rate is 17%.
- There is a hiring freeze in effect.

MCE Fiscal Updates:

- Tariffs on all countries around the world may have an impact on MCE because the countries do not pay the tariffs. Companies do and then customers do.
- At the top of the list, Tariffs on Chinese goods announced by the President will have a considerable impact on the prices of many of our products. MCE is doing everything we can to lessen these impacts.
- Tariffs on Chinese goods are currently at 40%.
- To avoid the tariffs imposed on Chinese goods from impacting MCE, the MVA and the State of Maryland, MCE took steps to purchase license plate sheeting from Avery Dennison Corporation, located in Ohio instead of purchasing them from a Chinese license plate sheeting manufacturer (our previous supplier). After months of negotiations with JR Wald and Avery, we achieved our goal and we are no longer tied to the cost increases associated with the tariffs.
- We are pleased to report that based on a five-year average of license plates purchased by the MVA, considering a 40% tariff rate, the data indicates a savings to the MVA and the State of Maryland of \$522,826.00 per year.
- Governor Moore's announcement to close MCIJ.
 - Governor Moore has recently announced the closure of Maryland Correctional Institution Jessup by June 2026.
 - How will this closure affect MCE?
 - MCE has three out of five of our Graphics Plants located within MCIJ. Graphics Plant 132 Quick Copy, Graphics 145 Envelope and Business Cards and Graphics Plant 140 Print Shop. The flagship and largest of our Graphics division.
 - The plan is to make room for our MCIJ Graphics Plants within Plant 115 Furniture located within JCI. This is a monumental task.
 - MCE provided a plan to the DPSCS Executive team.
 - MCE has been working with DPSCS Capital Construction.
 - MCE has formed an MCE Graphics Relocation Task Force to facilitate the move.
 - MCE has requested that all of our staff, program participants and civilian staff alike, transfer with our operations to the new location.
 - Governor Moore, in his announcement, stated that the closing of MCIJ will save the state of Maryland \$21 million per year.

Sales Update – Todd Deak, Director of Sales

- **Incoming Orders Processed**
 - FY26 Sept: \$3.2M (last Sept: \$2.4M)
 - FY26 Oct: 879k (Last Oct. 2.5M)
 - FY26 YTD: 15.2M (Last YTD Thru Oct. 13.2M)
- **Sales**
 - FY26 Sept. 4M (last Sept. 4.6M)
 - FY26: Thru Oct. 2nd: 717k (last Oct.: 2.9M)
 - FY26 YTD: 13.5M (Last YTD Thru Oct: 21.8M)
- **Website Sales**
 - FY26 Sept: 50k (last Sept. 77k)
 - YTD: 204k (YTD Last Year Thru Oct: 308k)
- **QS Sales**
 - FY26 Sept: 62k (last Sept. 127k)
 - FY26: YTD: 247k (last YTD Thru Oct.:338k)
- **Capital Projects Currently Installing**
 - None
- **Upcoming Capital Projects to be Installed**
 - Cecil Comm. College (Maintenance Bldg.) Nov. 115k
 - Harford Comm. College (Welcome Ctr Ph2/3) Oct./Nov. 834k
 - Clifton T. Perkins (Nov.) 2.1M
 - UMCES (Chesapeake Biological Lab) Dec. 274k
 - UMES (Agriculture Research and Ed) Jan. 230k
 - MD School for the Deaf Frederick (VERDITZ Bldg) 300k (Date TBD)
 - UMB (HSF3 Bldg) Dec. 405k (Received PO)
 - MSP (Waterloo Tactical Service Bldg) Dec. 437k (Waiting on PO)
 - SU (Student Center) 1.4M (Date TBD, Waiting on PO)
 - DMIL (Frederick Resource Ctr) (Waiting on PO)
 - UMBC (Sherman Hall, West Wing) 1.2M (Needs to be processed, waiting on revised PO) Aug. 2026 Delivery Timeframe
 - UMCP (Zupnick Hall) PO 2.6M (June 2026 Delivery Timeframe)

Marketing Update – Tara Smith, Director of Marketing

- We have added two (2) new catalogs – a Quick Ship catalog that features only MCE Quick Ship items and a Mini Seating catalog that features all of MCE’s seating options.
- We have removed one of our seating options from our catalog, the Comfort Rx. This item was removed due to component changes.
- We have several stools and a few task and side chairs available in our Overstock area of the MCE Showroom. A blast email was sent out to customers promoting those items.
- We are currently waiting for approval from the Pricing and Selection Committee to add a new stool to our seating options. We currently have no stools in our catalog, other than Lab Stools, as they have all been discontinued by our vendors.
- We will not be holding a New Products Committee meeting for Q2. We have several items that we are still reviewing from Q4 FY25 and Q1 FY26. Some of those items are:
 - Height adjustable tables
 - Task Chairs
 - Stools
- We will resume our NPC meeting in Q3 - January.
- October is National Ergonomics Month. MCE is offering a 5% discount on the purchase of five (5) or more Task chairs from October 14th-31st. PO must be received by October 31st in order to receive the discount. The discount will only be applied to the total of task chairs if the customer’s purchase consists of any other items such as tables, textiles, etc. Also, this discount cannot be used for Capital Funded projects. A blast email has been sent to customers promoting this offer. We have added a flyer to the MCE website and our Account Reps have added a banner to their email signature lines to also promote this offer.

Council Member Reports

Next Customer Council Meeting: January 20, 2026 at 10:00am (Virtual)