

SENATE BILL REPORT

ESHB 2268

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 27, 1992

Brief Description: Affecting inmate work programs.

SPONSORS: House Committee on Human Services (originally sponsored by Representatives Hargrove, Winsley, Prentice, Leonard, Hochstatter, H. Myers, Riley, Roland, May, Bowman, Van Luven, Chandler and Inslee; by request of Department of Corrections)

HOUSE COMMITTEE ON HUMAN SERVICES

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass.

Signed by Senators Nelson, Chairman; Thorsness, Vice Chairman; Erwin, M. Kreidler, Madsen, Rasmussen, and A. Smith.

Staff: Ben Barnes (786-7465)

Hearing Dates: February 27, 1992

BACKGROUND:

The Division of Correctional Industries of the Department of Corrections develops and implements programs designed to offer inmates employment, work experience and training, and to reduce the tax burden of corrections. Under authority of the Corrections Reform Act of 1981, the Division of Correctional Industries operates five classes of work programs: Class I - Free Venture Industries that allow private sector companies to set up factories within correctional institutions; Class II - Tax Reduction Industries managed directly by the Department of Corrections to reduce the costs of goods and services for tax supported agencies and for nonprofit organizations; Class III - Institutional Support Services designed to provide jobs that are vital to the day-to-day operation of the prison; Class IV - Community Work Industries that allow public agencies, the poor or infirm, and nonprofit agencies to hire a Class IV inmate to provide services in the community at a reduced cost; and Class V - Community Service Programs that allow offenders to perform work, without compensation, for the benefit of the community. Inmates who work in Class I - Free Venture industries must be paid not less than 60 percent of the approximate prevailing wage within the state for that particular occupation.

Under the Class I program, goods or services are produced for sale to both the public and private sector. The sale of Class II industries program goods and services, in contrast, may only be sold to public agencies, to nonprofit organizations,

and to private contractors when the goods purchased will be ultimately used by a public agency or a nonprofit organization. In addition, state agencies are mandated to purchase all articles or products required which are produced or provided in whole or in part from Class II inmate programs. Every new Class II industry developed by the Department of Corrections is required first to consider the effect the new industry will have on business and labor within the state.

Currently, Correctional Industries programs are not allowed to contract with Washington State businesses to provide specific goods and services otherwise provided by foreign or out-of-state suppliers. Leasehold tax exemptions are also not part of the Correctional Industries Program.

SUMMARY:

The Department of Corrections is allowed to contract with Washington State businesses to provide specific goods and services otherwise provided by foreign or out-of-state suppliers. The department, together with business and labor input, is required to review all proposed industries before a contract for services or products is made.

Wages for Class I industries are required to be comparable to the wage paid for work of a similar nature in the area where the industry is located.

All private correctional industries businesses operating at department facilities are allowed to be exempt from the leasehold interest tax.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The bill would allow the Department of Corrections to expand its Correctional Industries program.

TESTIMONY AGAINST: None

TESTIFIED: Representative Jim Hargrove, prime sponsor