

HOUSE BILL ANALYSIS

HB 2574

Brief Description: Modifying inmate labor provisions.

Sponsors: Representatives O'Brien and Cairnes.

Hearing: January 28, 2000

HOUSE COMMITTEE ON CRIMINAL JUSTICE AND CORRECTIONS

BACKGROUND:

Objectives of the correctional system: The corrections system in Washington is designed to accomplish several stated objectives, such as to punish offenders, discourage recidivism, reflect the values of the community, avoid idleness, provide opportunities for self improvement, and provide for restitution.

Correctional Industries: The Department of Corrections (the department) provides inmate work programs through the Correctional Industries Board of Directors (the Board). The Board develops and implements programs that offer inmates employment, work experience and training, and that reduce the cost of housing inmates. To achieve these goals, the Board operates five classes of work programs.

Class I Industries: Inmates working in Class I ("free venture") industries are paid according to the prevailing wage for comparable work in that locality, as determined by the director of correctional industries or, if the director is unable to make this determination, at least the federal minimum wage rate. There are two models for Class I industries authorized understate law « an employer model and a customer model. Employer model Class I industries are operated and managed by for-profit or non-profit organizations under contract with the Department of Corrections. They produce goods and services for sale to both the public and private sector. The department is responsible for supplying security and custody services to these industries without charge. Customer model Class I industries are operated and managed by the department to produce and

provide Washington businesses with products or services currently available only from out-of-state or foreign suppliers. There are no customer model Class I industries currently operating in the state.

Class II Industries: Class II ("tax reduction") industries are state-owned and operated industries designed to reduce the costs for goods and services for public agencies and nonprofit organizations. Products and services generated by Class II industries may generally only be sold to public agencies and nonprofit organizations.

Class III Industries: Class III ("institutional support") industries are operated by the department and are designed to give the inmate basic work training and experience and to offset public support costs. Except for inmates in a training program, inmates in this class are compensated in accordance with an inmate gratuity scale adopted by the secretary of corrections.

Class IV Industries: Class IV ("community work") industries are operated by the department and provide services, at reduced cost, to public agencies, persons who are poor or infirm, and nonprofit organizations in the local community. Local government agencies utilizing this service must pay the inmate's wage and provide work supervision services without charge.

Inmates in this class are paid a gratuity not to exceed the wage paid for comparable work in that locality.

Class V Industries: Class V ("community service") jobs are court ordered community work that is performed for the benefit of the community without financial compensation.

Inmate Wage Deductions/Expansion of Programs: The secretary is required to develop a formula for the distribution of wages and gratuities earned by inmates working in correctional industries programs. The formula must include the following mandatory deductions:

Class I (and others earning at least minimum wage): 5 percent for crime victims' compensation; 10 percent for an inmate savings account; and 20 percent to the department for costs of incarceration.

Class II: 5 percent for crime victims' compensation; 10 percent for an inmate savings account; and 15 percent to the department for costs of incarceration.

Class III: 5 percent for crime victims' compensation.

Class IV: 5 percent to the department for costs of incarceration.

Inmate employment in Class I and II industries is to be expanded according to a specified time line. By June 30, 2000, the secretary must achieve a net increase of 1,500 more inmates employed in Class I or II Industries than were so employed in 1994.

SUMMARY OF BILL:

Objectives of the correctional system: The system should reflect the values of the community, including not displacing citizens from their jobs. Another stated objective of the system is to provide for inmate work programs and to pay inmates wages comparable to those paid for similar work in that locality.

Class I Industries: The department is not prohibited from charging firms for the cost of security services. Participating industries are responsible for liability and worker's compensation insurance costs. The director of correctional industries must consult with the director of employment security in determining comparable wage rates.

Class II Industries: Class II industries shall be patterned after private sector industries, but should follow the legislative objectives established for the correctional system. The Board shall consider the impact of a proposed Class II industry on the Washington labor market before approving the industry. The department is not prohibited from charging firms for security services. Inmates must be paid a wage comparable to wages paid for similar work in that locality, as determined by the director of correctional industries in consultation with the director of employment security. If they are not able to reasonably determine the comparable wage, the pay must be at least the federal minimum wage rate. Businesses are responsible for liability and worker's compensation insurance costs.

Class III: Inmates must be paid a wage comparable to wages paid for similar work in that locality, as determined by the director of correctional industries in consultation with the director of employment security. If they are not able to reasonably determine the comparable wage, the pay must be at least the federal minimum wage rate. Businesses are responsible for liability and worker's compensation insurance costs.

Class IV: Inmates must be paid a wage comparable to wages paid for similar work in that locality, as determined by the director of correctional industries in consultation with the director of employment security. If they are not able to reasonably determine the comparable wage, the pay must be at least equal to the federal minimum wage rate. The prohibition against the local government charging for supervision services is removed.

Inmate Wage Deductions/Expansion of Programs: The formula for the distribution of wages, and the expansion of inmate employment in Class I and II industries, shall be accomplished following the legislative objectives established for the correctional system

FISCAL NOTE: Received on January 25, 2000.

EFFECTIVE DATE: Ninety days after adjournment of a session in which bill is passed.