

SENATE BILL REPORT

SB 5631

As Reported By Senate Committee On:
Human Services & Corrections, February 14, 2005

Title: An act relating to inmate work programs.

Brief Description: Changing provisions relating to inmate work programs.

Sponsors: Senators Regala, Hargrove, Stevens, Brandland, Kline, McAuliffe, Franklin, Prentice, Esser, Delvin and Kohl-Welles.

Brief History:

Committee Activity: Human Services & Corrections: 2/8/05, 2/14/05 [DPS].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: That Substitute Senate Bill No. 5631 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member; Brandland, Carrell, McAuliffe and Thibaudeau.

Staff: Kiki Keizer (786-7430)

Background: The legislature has authorized the Department of Corrections (DOC) to establish and operate a comprehensive work program for inmates by setting up various classes of industries. Class I and Class II industries are two components of the DOC's comprehensive work program.

Class I or "free venture" industries were designed to allow profit-making or non-profit organizations under contract with the DOC to employ inmate laborers to produce goods and services for sale to the public and private sectors. Class I industries were also designed to allow the DOC to manage and operate industries to produce the kinds of goods and services that would otherwise be available to Washington businesses only through vendors located out of state. The statute authorizing Class I industries contemplates a Class I worker's pay to be comparable to the prevailing wage for similar work in the local community. However, by law, a Class I worker's pay is subject to deductions by the DOC for crime victims' compensation, the inmate's savings account, costs of incarceration, and any legal financial obligations that may be owed by the inmate.

Class II or "tax reduction" industries are owned by the state. They are set up to make goods and services that can be sold to public agencies and non-profit organizations cheaply. Rather than being run to make a profit, the ultimate goal of these industries is to lower the cost of doing business for their public agency and non-profit customers. Class II workers are paid a gratuity, ranging from 35 cents to \$1.10 per hour and are subject to deductions by the DOC for crime victims' compensation, the inmate's savings account, costs of incarceration, child support, and legal financial obligations.

In May 2004, the Supreme Court of Washington determined that the law authorizing Class I industries conflicts with article II, section 29 of the state constitution, which states, "[a]fter the first day of January eighteen hundred and ninety the labor of convicts of this state shall not be let out by contract to any person, copartnership, company or corporation, and the legislature shall by law provide for the working of convicts for the benefit of the state."

Since the Supreme Court's decision in May 2004, nine businesses have stopped employing Class I industries workers at three correctional institutions in the state. Approximately 270 Class I jobs have been lost.

The loss of Class I industries represents lost revenue to the Department of Corrections and a loss of funds that would have gone toward the cost of incarceration, victims' restitution, and legal financial obligation payments. The DOC expects the loss of jobs to be reflected in increased recidivism because inmates will not have the opportunity to gain job skills and experience while serving their sentences. Idleness is also expected to create a need for increased security and to put corrections officers at higher risk.

Summary of Substitute Bill: The list of potential customers for products and services produced by Class II industries is expanded to include employees and family members of employees of the DOC and persons under the supervision of the DOC and their family members. School districts are permitted to purchase goods, such as furniture, equipment, and supplies from Class II industries.

Substitute Bill Compared to Original Bill: The date of school districts' target to purchase 1 percent of goods from Class II industries is June 30, 2006 instead of June 30, 2005.

Appropriation: None.

Fiscal Note: Requested February 7, 2005.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For Original Bill: Last year, the legislature set certain goals for employing persons under the supervision of the DOC. Since those goals were set, a Supreme Court decision eliminated Class I jobs. Particularly in light of overcrowding in prisons, it is important to keep people occupied in meaningful, positive ways. The bill is directed at expanding Class II jobs in order to make up for the loss of Class I jobs. Possibilities for expanding Class II jobs may include setting up a sewing shop to sew uniforms for corrections officers or jeans and other clothing items for inmates. Another possibility might be to expand furniture manufacturing and marketing to schools. It is important to meet job targets for inmates and to keep tax dollars in the state. For every dollar invested in Correctional Industries, the state gets a benefit of \$6.65. Correctional Industries buys its materials in-state and offers a substantial savings to state institutions. It provides a tax deduction to state agencies and, in the case of selling furniture and other products to schools, may offer a savings to schools of between 35 to 50 percent.

Concerns: The school district language in the bill should be amended to mirror the requirement that institutions of higher education have to purchase a certain amount of

product from Correctional Industries. The start date of working with school districts should be moved to June 2006, in order to allow time to market to school districts and work out agreements for doing business.

Testimony Against Original Bill: None.

Who Testified: PRO: Bob Abbott, Laborers District Council; Don McCloud, Laborers Local 252; Howard Yarbrough, Department of Corrections, Correctional Industries.