

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1119 (Senator Muse)
Judicial Proceedings and Finance

Correctional Services - Inmates - Labor

This bill establishes the Task Force on Inmate Labor. The Governor's Office of Crime Control and Prevention (GOCCP) must provide staff for the task force. By December 31, 2017, the task force must report its findings and recommendations to the Governor and the General Assembly. The bill also expands the information that must be included in specified annual reports to include information relating to inmate employment and wages.

The bill's provisions relating to the task force take effect July 1, 2017, and terminate June 30, 2018.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for GOCCP are assumed to be minimal and absorbable within existing budgeted resources. The Department of Public Safety and Correctional Services (DPSCS) can handle the bill's requirements with existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Task Force on Inmate Labor: The task force must:

- analyze the statutory, regulatory, rules-based, and practice-based hurdles to providing greater compensation to inmates;
- investigate guidelines and criteria to track outcomes of inmate employment, including recidivism, inmate savings, job bank selection, hours worked, and inmate purchases while incarcerated; and
- conduct and make public the findings of a comprehensive survey of inmates employed by DPSCS as well as Maryland Correctional Enterprises (MCE) to determine inmate perspective on inmate labor, inmate selection for employment via institutional job banks, inmate compensation, workplace safety, employment skill development, and inmate living expenses.

The bill provides for the membership of the task force. A member of the task force may not receive compensation but is entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.

Commissioner of Correction Annual Report: The Commissioner of Correction must include in its annual report submitted to the Secretary of Public Safety and Correctional Services and the Governor, for each correctional facility in the Division of Correction (DOC), the following additional information:

- the job classifications for inmate labor in each department and facility under DOC's control;
- the inmate wages at each prison for each job classification under DOC's authority;
- the mean and median number of hours an inmate in State prison works per day and per month, disaggregated by facility;
- the total number of inmates currently employed and their mean wages at facilities under DOC's authority, disaggregated by facility;
- the mean and median hourly wages for male inmates and female inmates; and
- the mean and median amount of earnings in inmates' accounts on release, disaggregated by facility.

Division of Correction Financial and Operational Report: The annual complete financial and operational report of MCE and the MCE revolving fund that DOC submits to the Governor, the Secretary of Public Safety and Correctional Services, and the Secretary of Budget and Management, must:

- list the job classifications for inmate labor in each department and facility under MCE's authority;
- list the inmate wages at each prison for each job classification under MCE's authority;
- list the mean and median number of hours an inmate employed by MCE works per day and per month, disaggregated by facility;
- list the total number of inmates and their mean wages for all inmates currently employed at facilities under MCE's authority, disaggregated by facility;
- list the mean and median hourly wage for male inmates and female inmates under MCE's authority; and
- list the mean and median amounts of earnings in inmates' accounts on release, disaggregated by facility.

Current Law:

Commissioner of Correction Annual Report: By October 31 of each year, the commissioner must submit an annual report to the Secretary of Public Safety and Correctional Services and the Governor that states, for each correctional facility in DOC:

- its expenses, receipts, disbursements, condition, and progress;
- the number of inmates and each inmate's age, sex, race, place of birth and conviction, crime, and term of confinement;
- the number of inmates who escape, are pardoned, or discharged; and
- any remarks and suggestions the commissioner considers necessary to advance the interests of the correctional facility.

The commissioner must also submit with the report an accurate, detailed statement for all receipts and disbursements to DOC during the year. The commissioner must verify the required report and statement. The Governor must submit to the General Assembly the required report and statement and any recommendations that the Governor considers expedient.

Division of Correction Financial and Operational Report: Annually, DOC must submit a complete financial and operational report of MCE and the MCE revolving fund to the Governor, the Secretary of Public Safety and Correctional Services, and the Secretary of Budget and Management. The report must be in the same general form as a report by DOC on its operations and programs and must include information about present and projected personnel and compensation requirements of MCE. The Governor, the Secretary of Public Safety and Correctional Services, and the Secretary of Budget and Management may include data from the report in the preparation of the budget and capital improvement bill.

Background: MCE (formerly State Use Industries) provides work and job training for inmates incarcerated in State correctional facilities. MCE produces goods and supplies services at a cost that does not exceed the prevailing average market price. These goods and services are used by local, State, and federal agencies. These goods are also available for use by charitable, civic, educational, fraternal, or religious organizations. In fiscal 2015, MCE employed 2,041 inmates and generated revenues of \$54.1 million, resulting in a net profit of \$430,000, following a \$1.0 million transfer from the revolving fund to the general fund. In fiscal 2016, inmate employment declined slightly to 2,035, while revenues increased to \$61.4 million. MCE closed fiscal 2016 with a net profit of \$3.2 million. Senate Bill 172 of 2017 (the Budget Reconciliation and Financing Act of 2017) authorizes the transfer of \$2.5 million from the MCE revolving fund to the general fund in fiscal 2018.

The Commissioner and the Chief Executive Officer of MCE must establish the compensation rate for inmate labor in MCE, taking into consideration other wage payments and incentives in other programs. Inmate wages are standard throughout State correctional facilities. The starting pay scale is based on skill category, with wages ranging from \$1.25 *per day* for unskilled positions up to \$8.75 *per hour* for MCE work release positions. Inmate wages account for approximately \$2.5 million of MCE's annual budget.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Governor's Office of Crime Control and Prevention; Department of Public Safety and Correctional Services; Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2017
mm/lgc

Analysis by: Shirleen M. E. Pilgrim

Direct Inquiries to:
(410) 946-5510
(301) 970-5510