

SB 420 Testimony.pdf

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Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Wednesday, January 31, 2024

Testimony in Support of Senate Bill 420: MCE - Preferred Provider - Removal

This bill repeals Maryland Correctional Enterprise's (MCE) status as a preferred provider under State procurement law, and further repeals the Pricing and Selection Committee for Preferred Providers' oversight over MCE's pricing and sales..

The repeal of Maryland Correctional Enterprises' preferred provider status is a positive step towards promoting fair competition within the State's procurement processes. Opening up opportunities to a broader range of vendors fosters a competitive market, ensuring the best value for the State.

In the fiscal year of 2020, MCE's total sales were over \$55 million dollars. 99% of these sales were to State agencies. This is a considerable amount of revenue that our minority businesses could have benefited from. If we truly would like to create equity in opportunity and see our minority businesses thrive, it is time that we close this loophole.

Eliminating the preferred provider status for MCE encourages innovation and efficiency in the procurement process. Allowing a more diverse pool of suppliers to participate can lead to cost savings, improved service quality, and increased innovation in the delivery of goods and services.

Repealing these provisions enables the State to adapt more effectively to changing market dynamics. By removing preferential treatment, the State can respond more agilely to shifts in the marketplace, ensuring that procurement practices remain aligned with current needs and industry trends.

The repeal facilitates a more transparent and accountable evaluation of MCE's performance without the constraints of preferred provider status. Regular evaluations are crucial to maintaining the effectiveness and integrity of the State's procurement processes.

I urge the committee to contribute to a more robust and equitable procurement environment in the State by voting favorably on SB 420

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes", written in a cursive style.

Senator Antonio L. Hayes
40th Legislative District – MD

SB 420_MCE_Opposition.pdf

Uploaded by: Janelle Mummey

Position: UNF



Department of Public Safety and Correctional Services

Maryland Correctional Enterprises

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STATE OF MARYLAND

WES MOORE
GOVERNOR

Bill: SB 420

ARUNA MILLER
LT. GOVERNOR

Committee: Senate Budget and Taxation

CAROLYN J. SCRUGGS
SECRETARY

Date: January 31, 2024

ANTHONY A. GASKINS
CHIEF OF STAFF

Re: Letter of Opposition

JOSEPH SEDTAL
DEPUTY SECRETARY
ADMINISTRATION

The passage of SB 420 would have a profound and terminal impact on Maryland Correctional Enterprises (MCE); resulting in the inability for MCE to maintain its self-supporting status as mandated by law. This would require the agency to be supported using general funds.

ANNIE D. HARVEY
DEPUTY SECRETARY
OPERATIONS

ANGELINA GUARINO
ASSISTANT SECRETARY
DATA, POLICY AND
GRANTS

MCE provides a variety of vocational training and certificate programming for incarcerated adults around the State. MCE endeavors to assist as many incarcerated individuals as possible. Training and reentry services are provided through 26 MCE Business units at 11 state correctional facilities. In collaboration with other State agencies and private sector partners, MCE delivers programs geared to provide both hard and soft skills to those within Maryland's Correctional System. Many of the incarcerated individuals in our program may not have held a job previously or been afforded the opportunities to learn and understand how to be a productive member of society. We pride ourselves on not only maintaining communication and assistance with participants post release, but also practice what we preach by employing formerly incarcerated individuals. Currently 20% of MCE headquarters staff are formerly incarcerated.

RENARD E. BROOKS
ASSISTANT SECRETARY
PROGRAMS, TREATMENT
& RE-
ENTRY SERVICES

MARYLAND
CORRECTIONAL
ENTERPRISES

STEPHEN SANDERS
CHIEF EXECUTIVE
OFFICER

In addition to the vocational programs within the institutions, we also offer a Continuing Allocation of Reentry Services (CARES) program aimed at preparing those who are close to release. The program includes classes for financial literacy, preparing a resume, interview skills, understanding trauma, and even healthy relationships. The CARES program is also funded by MCE alone, without the assistance of the General Fund. MCE programs support the Maryland Justice Reinvestment Act.

MCE's establishment under Correctional Services Article §§3-502-528 specifically identifies MCE as a self-funded division of the Maryland Department of Public Safety and Correctional Services, providing "meaningful work experience" for those who are incarcerated. This program develops the incarcerated individual's ability to obtain and maintain employment upon release in order to reduce the recidivism rate. Currently, we have over 1,100 active participants within the 11 correctional facilities.

The loss of preferred provider status under SB 420 will result in a significant reduction in revenues. As a self-funded agency, our profit circulates back into the programs without a need to seek assistance from the General Fund. These expenses include raw

materials, civilian salaries, stipends for the program participants, and warehousing and shipping expenses.

As it stands, MCE has a very limited customer base as established by Correctional Services Article §3-516, but removing the preferred provider status would further reduce the customer base making it impossible to maintain our self-supporting status, reduce incarcerated individual participation, reduce the capabilities and potential for a successful rehabilitation and reentry program, create civilian staff layoffs while potentially bankrupting the company. Further, MCE expenditures could potentially increase with the need to seek customers that would fall within our narrow scope of permissive customers, but it is unable to be determined to what extent at this time.

SB 420 would not only dramatically affect the mission and purpose of MCE, but would eliminate the program offerings to those incarcerated within the state. This will in turn result in the increased idleness, reduction in safety and increased stress on already strained correctional officer staffing levels. Recidivism rates would rise as it has been documented that those incarcerated individuals who participate in Educational programs and Correctional Industries programs combined are far less likely to return to the prison system than those who do not.

In summation, the passage of SB 420, eliminating MCE as a preferred provider would not only result in MCE being unable to maintain a self-supporting status, it would prohibit MCE's ability to continue offering the training programs for those who are currently incarcerated. Furthermore, a reduction in program offerings will increase prison idleness in turn resulting in reduced safety within the facilities for incarcerated individuals and staff. Increased idleness of incarcerated individuals leads to the destabilization of the correctional facilities, requiring the hiring of additional Correctional Officers at a time when vacancies are already a concern. This will further place additional financial requirements of the state including a negative impact on the Maryland Justice Reinvestment Act.

During a time of increasing violence in our communities, the number one reentry program is facing a reduction in training hours. These training hours for incarcerated individuals play a vital role in providing opportunities for those released to become productive citizens within the community, setting an example for those around them. We must not leave anyone behind, including returning citizens.

We respectfully request you give SB 420 an **unfavorable** vote.

SB420_DPSCS_LOI.pdf

Uploaded by: Catherine Kahl

Position: INFO



Department of Public Safety and Correctional Services

Office of Government & Legislative Affairs

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STATE OF MARYLAND

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ASSISTANT SECRETARY
PROGRAMS, TREATMENT AND
REENTRY SERVICES

JANELLE B. MUMMEY
DIRECTOR

BILL: Senate Bill 420

POSITION: Letter of Information

EXPLANATION: Senate Bill 420 will remove Maryland Correctional Enterprises as a Preferred Provider for the State.

COMMENTS:

- The Department of Public Safety and Correctional Services Division of Correction operates 13 State correctional facilities housing offenders sentenced to periods of incarceration for 18 months and longer. The Department also oversees five facilities located in Baltimore City that houses pretrial detainees and incarcerated individuals sentenced to incarceration for periods of 18 months and less.
- Maryland Correctional Enterprises (MCE) provides structured training activities for incarcerated individuals in order to improve employability upon release, to enhance safety and security by reducing prison idleness, to produce quality goods and services, while remaining a financially self-supporting State agency. MCE is a 100% self-funded program. Any sustainable income is used to improve the programs.
- MCE provides training and reentry services through the operation of 26 business units in 11 State correctional facilities. In FY23, MCE incarcerated individuals received 1,428 certificates, increasing future employability significantly for this population.
- In addition to the skills training and vocational training, 770 incarcerated individuals earned certificates through the Department of Labor and MCE's Job Skills Training partnership.
- Through the MCE CARES program, not only is job training offered, but skills development, and re-entry services including job placement and financial literacy programming. This provides those individuals being released a greater opportunity of gaining employment in society, which reduces the likelihood of recidivism.

- MCE plays a significant and valuable role in reentry by providing meaningful programming and services to incarcerated individuals so they will be successful within the community. More importantly, MCE programs provide positivity, improves behavior, skills, mental health, and social functioning for incarcerated individuals.
- The skills and vocational training also provides a sense of accomplishment and the incarcerated individuals look forward to using the skills they learned through MCE in the community. In fact, 20% of the MCE workforce are formerly incarcerated individuals.

CONCLUSION: For these reasons, the Department of Public Safety and Correctional Services respectfully requests the Committee consider this information as it deliberates Senate Bill 420.

'24 DGS SB 420 St Procurement-Preferred Providers-

Uploaded by: Ellen Robertson

Position: INFO

BILL: Senate Bill 420 - State Procurement - Preferred Providers -
Removal of Maryland Correctional Enterprises

COMMITTEE: Senate Budget and Taxation Committee

DATE: January 31, 2024

POSITION: Letter of Information

Upon review of Senate Bill 420 - State Procurement - Preferred Providers - Removal of Maryland Correctional Enterprises, the Maryland Department of General Services (DGS) provides these comments for your consideration.

The bill would remove Maryland Correctional Enterprises (MCE) as a preferred provider. A preferred provider is defined as a provider of supplies or services that is given preference in specified areas of State procurement law and where a State or State-aided or -controlled entity must buy supplies and services from MCE first, then Blind Industries and Services of Maryland, and last from the Employment Works Program. As a preferred provider, MCE currently provides a variety of items, including: office furniture, seating, business tables, storage, outdoor furniture, apparel, dormitory furniture, and graphics.

Should MCE's designation as a preferred provider be removed, items normally provided by MCE would need to be acquired by another procurement method, causing DGS a fiscal and operational impact. DGS would request a modified effective date to July 1, 2025 or October 1, 2025 in order to identify, procure and implement the necessary statewide contracts that could be used by multiple state agencies.

For additional information, contact Ellen Robertson at Ellen.Robertson@maryland.gov or 410-260-2908 or Lisa Nissley at Lisa.Nissley1@maryland.gov or 410-260-2922.