



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.