

SB 486 Testimony.pdf

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Thursday, February 15, 2024

**Testimony in Support of Senate Bill 486: Maryland Correctional Enterprises -
Modifications**

Good afternoon Chair Smith and the esteemed members of the Judicial Proceedings committee,

I am writing today to express my strong support for Senate Bill 486, which calls for a thorough examination of Maryland Correctional Enterprises (MCE) operations and its comparison with private enterprises. This bill is a critical step towards ensuring efficiency, transparency, and cost-effectiveness in the provision of goods and services within our correctional system.

The proposed legislation mandates the MCE Management Council to conduct comprehensive research to assess various aspects concerning the goods and services provided by MCE. Specifically, the bill requires an evaluation of the number of private entities offering similar goods and services, prevailing market prices, a comparative analysis of costs between MCE and private enterprises, and an examination of potential benefits associated with soliciting private enterprises.

Such a thorough review is essential for several reasons. Firstly, it allows for a transparent comparison between MCE and private entities, enabling policymakers to make informed decisions based on empirical data rather than assumptions. Secondly, it ensures accountability within MCE by scrutinizing its operations and cost structures against private market alternatives. Thirdly, it opens avenues for potential cost savings and operational efficiencies by leveraging competitive forces present in the private sector.

By mandating the report to be submitted to the General Assembly by July 1, 2026, this bill underscores the urgency and commitment of the state legislature towards improving correctional enterprise practices. Additionally, the provision for termination by September 30, 2026, ensures that this review process is time-bound, thereby facilitating timely action based on the findings.

In conclusion, Senate Bill 486 represents a commendable effort towards enhancing the effectiveness and efficiency of Maryland's correctional enterprises. By conducting a thorough assessment and comparison with private sector alternatives, this bill lays the foundation for informed decision-making, cost savings, and improved outcomes within our correctional system. I urge the esteemed members of the Senate Judicial Proceedings Committee to support this vital piece of legislation for the betterment of our state.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes", is positioned below the word "Respectfully,".

Senator Antonio L. Hayes
40th Legislative District – MD

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Department of Public Safety and Correctional Services

Maryland Correctional Enterprises

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STATE OF MARYLAND

WES MOORE
GOVERNOR

BILL: Senate Bill 486 - Correctional Services – Maryland Correctional Enterprises Management Council – Report

ARUNA MILLER
LT. GOVERNOR

DATE: February 14, 2024

CAROLYN J. SCRUGGS
SECRETARY

LETTER OF INFORMATION:

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The Maryland Correctional Enterprises (MCE) Management Council was established under Title 3, Subtitle 5 of the Correctional Services Article in order to enhance and promote the quality and quantity of vocational training programs for incarcerated individuals. As MCE is a mission based agency focused on the rehabilitation of incarcerated persons, the Management Council duties focus on the expansion of MCE's multifaceted vision. The Council is composed of volunteers, union members, State appointees, non-profit members and private sector representatives that are in support of providing life and job skills to a marginalized population. Members do not receive compensation for their participation, but act as subject matter experts for the agencies and organizations that they represent.

After consulting with the private sector representatives on the Council, MCE is in agreement that Senate Bill 486 diverts the duties of the Council away from the population it is intended to serve. Any research conducted with the intent to promote purchasing from private entities rather than MCE would contradict the mandated mission to maintain a self-supporting status while providing training and services to as many incarcerated individuals across the State as possible. It is evident that purchases from the private sector would decrease State revenues, resulting in the dissolution of vital programming to an underserved population. The loss of this self-funded programming would also result in increased supervision and programming costs for DPSCS. The Council is already tasked with providing a yearly review on private sector impact. Based on 2021 data provided by the National Association of Manufacturers, manufacturing output in Maryland totaled \$26.4 billion dollars – MCE accounted for only 0.19% of that manufacturing total. According to the US Chamber of Commerce, 35% of durable goods manufacturing jobs remain unfilled, supporting the value and need of job training programs so that returning citizens are able to find viable careers post-release.

In addition, this bill duplicates functions already being performed by the Pricing and Selection Committee (PSC) as established in Section 14-106 of the State Finance and Procurement Law. By law, this committee is already responsible for reviewing and comparing MCE products and services in relation to the average prevailing market prices. The research reviewed and approved by the PSC includes market comparable products and related studies utilizing the consumer price index. Adding this function to the Council would be duplicative and deprioritize the mission to provide meaningful training opportunities to incarcerated individuals.