

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 527

(Senator Smith)

Judicial Proceedings

Judiciary

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**Correctional Services - Inmates - Labor**

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This bill expands the information that must be included in the Commissioner of Correction Annual Report and the Division of Correction (DOC) Financial and Operational Report to include information relating to inmate employment and wages.

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**Fiscal Summary**

**State Effect:** The Department of Public Safety and Correctional Services can handle the bill's requirements with existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:**

*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 DOC, the following additional information:

- the job classifications for inmate labor in each department and facility under DOC's control;
- the daily wage scale at each prison for each job classification under DOC's authority; and
- the total number of inmates currently employed at facilities under DOC's authority, disaggregated by facility.

*Division of Correction Financial and Operational Report:* The annual complete financial and operational report of the Maryland Correctional Enterprises (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;
- the daily wage scale at each prison for each job classification under MCE's authority; and
- the total number of inmates currently employed at facilities under MCE's authority, 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 2017, MCE employed 2,042 inmates and generated revenues of \$59.1 million, resulting in a net profit of approximately \$1.3 million, following a \$2.5 million transfer from the revolving fund to the general fund. However, in fiscal 2018, MCE reports that staff vacancy rates have negatively affected inmate employment, with the number of inmates employed falling to 1,719.

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.

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## **Additional Information**

**Prior Introductions:** HB 628 of 2018 passed the House with amendments and received a hearing in the Senate Judicial Proceedings Committee, but no further action was taken. SB 1119 of 2017, a similar bill, was referred to the Senate Judicial Proceedings Committee and the Senate Finance Committee, but was subsequently withdrawn.

**Cross File:** HB 78 (Delegate Wilkins, *et al.*) - Judiciary.

**Information Source(s):** Department of Public Safety and Correctional Services; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2019  
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