

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 815 (Senator Hayes)
Judicial Proceedings

Correctional Services – Maryland Correctional Enterprises – Report

This bill requires the Department of Public Safety and Correctional Services (DPSCS), in collaboration with an institution of higher education in the State, to (1) provide a comprehensive report on correctional industry programs in Maine, Ohio, Kansas, and California and (2) make recommendations regarding ways to improve Maryland Correctional Enterprises (MCE) to achieve successful reentry outcomes. By December 1, 2026, DPSCS must submit an interim report of its progress to the Governor and the General Assembly. By December 1, 2027, DPSCS must submit a final report of its findings and recommendations to the Governor and the General Assembly. **The bill takes effect July 1, 2026, and terminates December 31, 2027.**

Fiscal Summary

State Effect: Potential significant increase in general fund expenditures in FY 2027 and 2028, as discussed below. Higher education revenues and expenditures may be affected, as discussed below.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Maryland Correctional Enterprises: MCE provides work and job training for incarcerated individuals 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.

Management Council: The MCE Management Council is responsible for advising MCE on its specific proposals to establish new industries and improve the quality and quantity of job training programs and recommending the establishment and maintenance of industrial plants and service centers, as specified. In addition, the council must:

- review the operation of MCE programs to determine (1) whether there is undue competition with private enterprise and recommend necessary adjustments to prevent undue competition and (2) whether there is any negative impact on workers in the State, including wage depression or job displacement;
- review the standards for goods and services and the pricing schedules as recommended by the Chief Executive Officer of MCE;
- review the occupational health and safety record of programs and other working conditions of incarcerated individuals in MCE programs;
- review the success of MCE in (1) meeting the employability development needs of incarcerated individuals and (2) coordinating work programs with other rehabilitative programs;
- solicit and review information pertaining to concerns of participating incarcerated individuals;
- recommend changes as necessary to meet the goals and objectives of MCE;
- solicit ideas, proposals, and suggestions from business representatives, nonprofit organizations, government entities, and members of the public as to how MCE could enhance the work experience of incarcerated individuals and increase the ability of incarcerated individuals to obtain gainful employment after release;
- review and recommend opportunities with private sector employers to expand the Prison Industries Enhancement Program;
- review and identify ways to improve the business practices of MCE in its sales, marketing, inventory, warehousing, and product line operations;
- monitor customer satisfaction with price, quality, delivery, and after delivery service; and
- review and comment on MCE operating and capital budgets, including cash forecasts.

State Fiscal Effect: DPSCS estimates that the projected cost to contract with an institution of higher education to conduct the evaluation necessary to complete the comprehensive report ranges from \$150,000 to \$200,000; however, DPSCS did not provide any information on how it developed this estimate. Regardless, the Department of Legislative Services acknowledges that DPSCS likely does not have sufficient staff to complete the

required report and estimates that general fund expenditures increase, potentially significantly, in fiscal 2027 and 2028 for DPSCS to contract with an institution of higher education to complete the required report.

It is unclear if DPSCS would contract with a public institution of higher education or a private institution of higher education under the bill; thus, the extent to which any public institutions of higher education may be affected is unknown. To the extent a public institution of higher education is selected for collaboration, any payment by DPSCS is received and expended as higher education revenues and expenditures.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): University System of Maryland; Morgan State University; Department of Public Safety and Correctional Services; Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2026
caw/lgc

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