



Department of Public Safety and Correctional Services

Office of the Secretary Office of Government and Legislative Affairs

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BILL: HOUSE BILL 1524

POSITION: OPPOSE

EXPLANATION: This bill will require the Department of Public Safety and Correctional Services (Department) to give preference to bidders and offerors based on the number of formerly incarcerated individuals employed by the bidder or offeror, require procurement contracts to include a formerly incarcerated employment clause, require certain contracts to be declared void if the formerly incarcerated employment clause is omitted, require DPSSCS and the Department of Labor to jointly modify the Maryland Workforce Exchange website.

COMMENTS:

- The Department's Division of Correction (DOC) operates approximately 17 State correctional facilities, which house offenders sentenced to incarceration for 18 months and longer. The Department also runs the Baltimore City Pretrial Complex, under the Division of Pretrial Detention and Services (DPDS), which houses pretrial detainees and inmates sentenced to incarceration for 18 months and less.
- One of the Department's primary missions is to provide the incarcerated population with robust reentry services to reduce recidivism. The Department recognizes that a major factor in successful reentry is employment. While the Department appreciates the intent of House Bill (HB) 1524, the passage of HB 1524 as drafted would significantly hinder the Department's procurement process.
- HB 1524 requires the Department give preference to bidders and offerors based on the number of formerly incarcerated individuals the bidder or offeror employs. This would result in an increase in costs to the Department and Maryland Correctional Enterprises.
- Maryland Correctional Enterprises is the prison industry arm of the Division of Correction within the Department. The mission of MCE focuses on providing structured employment and training activities to enhance offender rehabilitation. In order for MCE to maintain its self-supporting status and increase the amount of training offered to our offender population, MCE is dedicated to manufacturing superior products at

affordable prices along with providing a positive direct economic impact to the State of Maryland.

- MCE offers its customer base consisting of state and local government and non-profit organizations, a wide variety of products and services. MCE's products range from furniture, apparel, printing, license plates, and signage to food products, along with their many services of furniture restoration, laundry, data entry, office planning/design, mailing/distribution and agriculture.
- MCE utilizes contractors in its routine course of business. HB 1524 will hinder its ability to carry out its mission for the following reasons:
 - The bill severely limits the number of businesses from whom the Department and the Maryland Correctional Enterprises (MCE) can purchase services, supplies, and materials.
 - Reduced competition for goods and services generally results in higher prices, so it is assumed that procurement costs for MCE increase substantially for the affected contracts, but any such increase cannot be reliably estimated.
 - An increase in cost and anticipated revenues may negatively affect inmate and civilian employment.
 - An increased cost in raw materials would inevitably increase MCE's selling prices.
 - If the new prices exceed the average market price, MCE will be unable to sell the associated products and services resulting in lost revenue of an unknown amount.
 - Any loss in revenues will have a negative impact on operations to include civilian and inmate employment.
- As previously mentioned, HB 1524 would also negatively impact the Department. The Department utilizes contractors to do construction work within its correctional facilities, to assist its Information Technology and Communications Division in maintaining its criminal justice information systems, and deliver medical treatment services to the inmate population.
- In an effort to uphold this mission, contractors providing services to the Department are required to have their employees undergo a background check for safety and security purposes. HB 1524 would impact the Department's ability to use contractual services in these sensitive positions.

- The Department will not be able to comply with Subsection 8-7A-02(d)(iii)(3), which requires the Department to modify the Maryland Department of Labor's Workforce Exchange website to allow a contractor to determine which formerly incarcerated applicants have completed a prerelease employment program or a job readiness program as a result of the Ban-the-Box legislation that took effect on January 1, 2020.
 - Without asking an applicant whether he/she has been incarcerated, either on the application or on website, the required information cannot be uploaded to inform the prospective contractor of the applicant's prerelease employment or job readiness program status.
 - This action will be in conflict with the Ban-the-Box legislation that took effect on January 1, 2020 due to a veto-override by the Maryland General Assembly on January 30, 2020.

CONCLUSION: For these reasons, the Department of Public Safety and Correctional Services respectfully requests an **UNFAVORABLE** Committee vote on House Bill 1524.