



## Department of Public Safety and Correctional Services

### Maryland Correctional Enterprises

7275 WATERLOO ROAD • JESSUP, MARYLAND 20794 • www.mce.md.gov  
(410) 540-5400 • FAX (410) 540-5570 • TTY USERS (800) 735-2258

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**BILLS:** Senate Bill 0194 – Correctional Services – Inmates – Labor, Job Training and Education Courses

**DATE:** February 2, 2021

**POSITION:** **OPPOSE**

The passage of Senate Bill 0194 will detrimentally affect the self-sustaining mission of Maryland Correctional Enterprises.

Maryland Correctional Enterprises is a self-supporting vocational training program within the Department of Public Safety and Correctional Services (DPSCS). The mission of MCE focuses on providing structured employment and training activities to enhance inmate rehabilitation. In conjunction with our mission, MCE is responsible for maintaining compliance with the following mandates:

- Is financially self-supporting, generates revenue for its operations and capital investments
- Provides meaningful work experiences for inmates that are intended to allow inmates to improve work habits, attitudes, and skills for the purpose of improving the employability of the inmates upon release
- Seeks to develop industries that provide full-timework experience or rehabilitation programs for all eligible inmates, and
- Operates correctional industries in an environment that resembles as closely as possible the environment of private sector business operations

In FY 19 MCE was able to offer over 2.4 million hours of employment and training to offenders throughout Maryland. At the fiscal year-end, MCE employed 1,516 inmates. Please note that FY 19 figures are being used due to the unusual production and operational challenges in FY20, related to COVID-19. The current MCE organization consists of 26 business units located at 10 state correctional facilities. MCE business units are located in Cumberland, Hagerstown, Sykesville, Jessup, and Westover. MCE utilizes maximum, medium, minimum, pre-release and work-release inmates.

The passage of Senate Bill 0194 will completely diminish our self-supporting status as MCE's inmate labor expenditures would increase from approximately \$2.4 million to \$28.33million dollars (based on FY19 figures). Considering MCE's FY19 profit was \$1.1 million, this would undoubtedly cause the bankruptcy of MCE with expenditures increasing by nearly \$26 million. This estimate would increase in the upcoming years as Maryland's minimum wage increases. The Correctional Services §3-507 (c) does indicate that "General Fund money may be appropriated to Maryland Correctional Enterprises to be used for the direct expenses of training inmates;" however, MCE's existence would then rely on utilizing approximately \$30 million in General Funds to subsidize inmate wages.

If these increased expenditures resulted in a reduction in our operations, this would directly result in decreased inmate employment placing a further strain on the supervision duties of state facilities. It can be assumed that a reduction in the MCE workforce would cause an increased need for correctional officer staff in the institutions resulting in increased inmate idleness and additional incarceration costs for the Department of Public Safety and Correctional Services (DPSCS). It is likely that several civilian positions will also be lost as a result of the reduction.

Studies across the nation continue to show that involvement in a correctional industry program has a positive effect on reducing states' recidivism rates. MCE has the ability to teach hard and soft skills to the offender population in order to increase their chances of success upon release. In 2017, DPSCS was tasked with implementation of the Justice Reinvestment Act, which would focus on offering reentry services to offenders. These reentry services include much needed vocational and training programs, which MCE provides at no cost to the taxpayer. Our programming could suffer damaging reductions with the passage of Senate Bill 0194, decreasing our positive impact on the state. In addition to financial compensation, inmates receive 10 diminution credits per month for participating in programming. As a result of diminished production and self-funding capabilities, MCE will be forced to dramatically decrease inmate opportunities which will have a negative impact on the recidivism rate in Maryland. Higher recidivism rates result in increased public safety and incarceration costs on both state and local levels.

We respectfully request that you give the minimum wage implementation brought forth by Senate Bill 0194 an unfavorable vote. If you have any questions or need additional information please do not hesitate to contact Catherine Kahl – (410)260-6070 [Catherine.Kahl@Maryland.gov](mailto:Catherine.Kahl@Maryland.gov).