



## Department of Public Safety and Correctional Services

### Maryland Correctional Enterprises

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**BILL:** Senate Bill 872 - Procurement – University System of Maryland, Morgan State University, St. Mary’s College of Maryland, and Baltimore City Community College

**DATE:** March 2, 2022

**POSITION:** **OPPOSE**

Senate Bill 872 would have a significantly detrimental effect on Maryland Correctional Enterprises (MCE) as it repeals a requirement that the University System of Maryland (USM), Morgan State University (MSU), St. Mary’s College of Maryland (SMCM), and Baltimore City Community College (BCCC) purchase, to the maximum extent practicable from preferred providers such as MCE.

The passage of Senate Bill 872 will decrease MCE’s revenues significantly, thus impacting the educational and occupational activities provided to the incarcerated population.

MCE is an occupational training arm of the Department of Public Safety and Correctional Services (DPSCS). The mission of MCE focuses on providing structured training activities to enhance the rehabilitation of returning citizens. 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 and does not receive any general funds from the State;
- Provides meaningful training for incarcerated individuals that is intended to allow participants to improve cognitive habits, attitudes, and skills for the purpose of improving the employability of incarcerated individuals upon release;
- Seeks to develop industries that provide occupational and rehabilitation programs for all eligible participants; and,
- Operates correctional industries in an environment that resembles as closely as possible the environment of private sector business operations/

In FY 21 MCE was able to offer over one million hours of occupational training to participants throughout Maryland. 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 offers opportunities to maximum, medium, minimum, pre-release and work-release individuals. Our program is 100% voluntary and frequently, we have waitlists of incarcerated individuals seeking MCE programming.

The passage of Senate Bill 872 has the potential to decrease MCE revenues by approximately 25%. The reduction in sales of this volume would result in MCE having to

reduce its program participation level and vocational programming offerings. The participation of our select customer base is crucial to the continued success of our program.

Because MCE is a self-funded agency, all programming and stipends are provided using sales revenue. The loss of this revenue would have detrimental results to programming for those incarcerated within the Maryland Division of Correction who are participants in the Correctional Enterprises training. In addition, a revenue loss of this magnitude would negatively affect MCE's ability to be a self-sustaining State agency as mandated by law.

There is also a negative impact on small business should this legislation receive a favorable vote. This past fiscal year, MCE spent over \$5 million with Maryland businesses. It is extremely unlikely that the college's needs would be solely supplemented by Maryland based businesses as most large manufactures that provide similar goods are based in other states or are international vendors. In addition, previous studies from Loyola University have stated that MCE does have a positive impact on the state economy. FY21 calculations show an impact in excess of \$50 million.

In addition, it is likely that the State will incur increased costs with the implementation of this legislation. In many cases, MCE's prices to the customer are lower than what is quoted directly by vendors. The exact numerical cost of these additional expenditures is unknown. MCE already works closely with the colleges to ensure we are meeting their needs. In instances where MCE cannot provide a product, we do issue waivers to colleges so that they are able to purchase from other sources. In FY21 alone, MCE issued waivers in excess of \$4.2 million for the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College. Our waivers for these colleges typically averages to \$3 million per year.

Studies across the nation continue to show that involvement in a correctional industry program has a positive effect on reducing states' recidivism rates. The most recent study conducted by the University of California concluded that only 15.4% and 20.8% of individuals involved in correctional industry programming returned to custody or were reconvicted of a crime after three years of release, respectively. The national average for recidivism exceeds 40%. Like California, MCE has the ability to teach hard and soft skills to the incarcerated population in order to increase their chances of success upon release. Our programming could suffer damaging reductions with the passage of Senate Bill 0872, decreasing our positive impact on the state. As a result of diminished production and self-funding capabilities, MCE will be forced to dramatically decrease its participation level 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 Senate Bill 0872 an unfavorable vote. If you have any questions or need additional information please do not hesitate to contact Jennifer Beskid at [jennifer.beskid@maryland.gov](mailto:jennifer.beskid@maryland.gov) or 443-240-8696.