

SB872 testimony.pdf

Uploaded by: Julian Holman

Position: FAV

In Support of SB872 (Budget and Taxation Committee hearing March 10, 2022)

Julian Holman
Fort Washington, MD 20744

To the honorable Chair, Vice Chair, and Committee:

My name is Julian Holman. I am a recent graduate of the University of Maryland Baltimore County (UMBC) and a member of the University System of Maryland Anti-Prison Labor Coalition, also known as Divest MCE. I wish to express my support for SB872.

Under current procurement law, State entities such as UMBC and other Maryland higher education institutions *must* first purchase supplies and services from Maryland Correctional Enterprises (MCE). The estimated \$10 million in annual sales - 25% of revenue - MCE obtains from these entities is \$10 million that does not go to Blind Industries and Services of Maryland (BISM) or to the Employment Works Program, which are preferred providers after MCE. It is \$10 million that does not go to small, minority-owned, women-owned, or other disadvantaged businesses in our community. It is \$10 million that does not even support those providing supplies and services that MCE sells: those who are incarcerated.

Black people make up just 30 percent of Maryland's population but account for 70 percent of those incarcerated in our state. This proportion is greater than anywhere else in the USA. Those who hold jobs in prison may make a 5 day daily rate of as low as \$1.36 according to MCE's 2021 report. MCE advertises that they may spend this income on commissary and/or supporting family. However, pay may be reduced by court-mandated deductions, and commissary prices may be inflated. *Ultimately, for little to nothing, an overwhelmingly Black prison population produces items such as the Maryland license plates on the car you ride in, the chairs and desks we sit at in a Maryland school or state house, and the masks and hand sanitizer used by yourselves and other state employees to combat COVID-19.*

This shameful fact tarnishes the pride I otherwise feel to be a graduate of one of the finest research institutions in the nation. Slavery continues to exist and to be legal under the 13th Amendment, which reads "neither slavery nor involuntary servitude, **except as a punishment for crime whereof the party shall have been duly convicted**, shall exist within the United States." By giving choice in procurement to Maryland higher education institutions, we can make real strides towards ending slavery.

I respectfully urge the committee to return a favorable report on **SB872**.

SB872- MLW Written Testimony.pdf

Uploaded by: Mary Washington

Position: FAV

MARY L. WASHINGTON, PH.D
Legislative District 43
Baltimore City

Education, Health, and
Environmental Affairs Committee

Chair
Joint Committee on Ending
Homelessness

Chair
Joint Committee on Children,
Youth, and Families



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Annapolis Office
James Senate Office Building
11 Bladen Street, Room 102
Annapolis, Maryland 21401
410-841-3145 · 301-858-3145
800-492-7122 Ext. 3145
Mary.Washington@senate.state.md.us

SB 872 – Procurement – University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College

Testimony of Senator Mary Washington

March 10, 2022

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee,

SB 872 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, supplies or services from Maryland Correctional Enterprises (MCE).

Currently, under State Finance and Procurement Article §14-103 of the Annotated Code "a state or state-aided or controlled entity shall buy supplies and services first from Maryland Correctional Enterprises," as provided in Title 3, Subtitle 5 of the Correctional Services Article, if Maryland Correctional Enterprises provides the supplies or services.

Universities, such as the University of Maryland's contract allows them to purchase directly from MCE and the prison industry without a procurement process. Per State Finance and Procurement Article, all furniture must be purchased from MCE unless a waiver is granted. The concern is that MCE must grant and approve the waiver. MCE rarely provides waivers to those who request them. This leaves universities and colleges without purchasing choices. SB 872 will allow universities and colleges to select the entity from which they purchase.

SB872 will increase the opportunity for universities to purchase their furniture with other preferred provider programs. State Finance and Procurement Article §14-103 of the Annotated Code of Maryland provides a State or State aided or controlled entity shall buy supplies and services from a selling entity in the following **order of priority**: 1) Maryland Correctional Enterprises, 2) Blind Industries and Services of Maryland, 3) A certified sheltered workshop. MCE should not be prioritized over these other preferred providers. In FY 2019, MCEs net sales were \$52,457,137 and yet MCE pays incarcerated persons an hourly wage of \$0.67 - \$0.79. This results in incarcerated persons kept in jobs that do not have market

value or enrich their minds even if their labor is by choice. Universities and colleges want to focus on equitable causes that further justice.

SB 872 is a bill that allows universities and colleges to further their missions that end their forced involvement in a system that contributes to disparities among black and brown communities. In Maryland, Black and Brown people make up 31% of the state's residents and 69% of the prison population. What occurs in our prisons disproportionately impacts an already disenfranchised population. Employing incarcerated persons in unskilled labor does not reflect Maryland's goals of reducing our prison population and providing transferable skills for employment after release. Maryland must continue to focus on reentry and educational programs that allow our residents to be rehabilitated rather than exploited for little to no gain.

This bill is the result of hearing from numerous students and faculty members at Maryland universities and colleges requesting an opportunity to disengage from the prison industrial complex. As communities of inclusive excellence committed to the core values of diversity, equity and inclusion, these students and faculty members feel that the practice of purchasing furniture, other commodities, and services from MCE is antithetical to these goals.

I welcome your partnership in this critical effort and urge a favorable report on SB 872.

In Partnership,

A handwritten signature in blue ink, appearing to read "Mary Washington".

Senator Mary Washington
Maryland 43rd District

SB872 Opposition Letter).docx.pdf

Uploaded by: Stephen Sanders

Position: UNF



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

STATE OF MARYLAND

LARRY HOGAN
GOVERNOR

BOYD K. RUTHERFORD
LT. GOVERNOR

ROBERT L. GREEN
SECRETARY

RACHEL SESSA
CHIEF OF STAFF

Sasha M. Vázquez-GONZÁLEZ
ACTING DEPUTY SECRETARY
ADMINISTRATION

WAYNE HILL
DEPUTY SECRETARY
OPERATIONS

CAROLYN J. SCRUGGS
ASSISTANT SECRETARY

GARY W. McLHINNEY
ASSISTANT SECRETARY

MARYLAND CORRECTIONAL
ENTERPRISES

STEPHEN SANDERS
CHIEF EXECUTIVE OFFICER

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 or 443-240-8696.