



## Department of Public Safety and Correctional Services

### Office of Government and Legislative Affairs

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STATE OF MARYLAND

**BILL: HOUSE BILL 1245**

LAWRENCE J. HOGAN, JR.  
GOVERNOR

**POSITION: LETTER OF INFORMATION**

BOYD K. RUTHERFORD  
LT. GOVERNOR

**EXPLANATION:** This bill requires the Maryland Correctional Enterprises (MCE) to compensate the incarcerated laborers at not less than the minimum wage under the federal Fair Labor Standards Act; offer educational and job training opportunities to all incarcerated individuals subject to safety and security concerns; and requiring the Department of Labor to submit an annual report. **This bill will have a significant fiscal and operational impact on MCE and DPSCS.**

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SECRETARY

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### COMMENTS:

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ASSISTANT SECRETARY

JENNIFER A. BESKID  
DIRECTOR

- The Department's Division of Correction (DOC) operates 13 State correctional facilities which house offenders sentenced to incarceration for 18 months and longer. The Department also oversees the Division of Pretrial Detention and Services which operates the Baltimore City Pretrial Complex.
- Maryland Correctional Enterprises (MCE), the prison industry arm of the Department, also operates within the DOC. The mission of MCE is to provide structured vocational training activities for incarcerated individuals in order to improve employability upon release, to enhance safety and security, to reduce prison idleness, to produce quality, saleable goods and services, and to be a financially self-supporting State Agency.
- **HB 1245 will have a significant fiscal impact and operational impact on the DOC and MCE.**
- This bill seeks to establish the compensation rate for inmate labor in MCE be no less than the federal minimum wage. Incarcerated individuals who are participating in MCE programming are being provided occupational training. They receive a stipend for their participation.
- Additionally, participants in MCE's programming earn a reduction of up to four months off their sentence annually as the result of their participation in MCE.

- MCE is a self-supporting entity, meaning it is not supported by State general funds, and merely operates off of the revenues made by manufacturing and retailing goods and service. **Much of the revenue generated by MCE is returned to the equipment utilized by the incarcerated population to ensure that they are prepared to enter the workplace with current, viable skills using the technology that is available in the modern workplace.**
- Increasing the current stipend to the federal minimum wage will diminish the self-supporting status of MCE causing expenditures to increase exponentially and resulting in a significant decrease in the number of incarcerated individuals who would be able to participate in occupational training.
- With the implementation of HB1245, MCE's inmate stipend expenditures would increase from approximately \$1.4 million to \$12.6 million dollars based on FY21 figures. This would undoubtedly cause the bankruptcy of MCE with expenditures increasing by over \$11 million.
- The bill would require the DOC to offer educational courses to all incarcerated individuals subject to safety and security concerns. Under Labor and Employment §11-903, the Department of Labor is responsible for correctional education and workforce skills training programs in the adult correctional institutions in the State.
- The ongoing pandemic has had a significant impact on programming, vocational, and educational training programs. The Department, in tandem with Labor, needs to focus on reinvigorating the preexisting programming, vocational, and educational training programs before determining the need for expansion.
- Lastly, the data points described in HB 1245 are not currently collected by the Department. This data is maintained by the Department of Labor.

**CONCLUSION:** For these reasons, the Department of Public Safety and Correctional Services respectfully requests the Committee consider this information as it deliberates on House Bill 1245.