

# **HB1123 Sponsor Testimony.pdf**

Uploaded by: Caylin Young

Position: FAV



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Appropriations Committee**

Thursday, March 9, 2023

**House Bill 1123 Correctional Services – Maryland Correctional Enterprises – Minimum Wage and Inmate Financial Accounts**

Honorable Members of the Committee,

I am here today to ask you to present House Bill 1123 Correctional Services – Maryland Correctional Enterprises – Minimum Wage and Inmate Financial Accounts. Thank you to Vice Chair Chang for sharing information about MCE with me. I look forward to continuing to learn more and being helpful in any way I can.

As we began our session in Annapolis, many of us were assisted by young individuals who were part of a work release program. Despite their diligent efforts and positive attitudes, it was disheartening to learn that these individuals were being compensated at a rate of merely \$3 per day, or \$90 per month, for their hard labor. This constitutes a gross violation of basic human rights and is a stain on our society. It is particularly poignant that this is happening in the House of Delegates, across from the home of the first Black Governor, and in the presence of life-size figures of Frederick Douglass and Harriet Tubman. Colleagues, this is not rhetoric, this is fact. We are all complicit in this toleration of slavery.

Of particular concern is the impact of incarceration on single-parents and their dependents. Baltimore is facing a youth violence crisis. About 1/3 murders this year have been youth under the age of 18. I attribute some of this crisis to over-incarceration and the resulting financial strain on families. Allowing people who are incarcerated to support their children while in custody can greatly improve the stability and well-being of their families and therefore of my communities.

Imagine a parent who is incarcerated, separated from their child, and yet still wants to provide for their family but obviously cannot. Imagine the mother who works multiple jobs and must leave her teens home alone, hoping they stay out of trouble while she struggles to make ends meet. This gap and absence is the very space that negative influence occupies.

House Bill 1123 aims to address this issue by ensuring that the compensation rate for inmate labor in Maryland Correctional Enterprises is not less than the State minimum wage rate. In addition, the bill seeks to create a bank account for individuals who are incarcerated to

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Legislative District 45  
Baltimore City

—  
Judiciary Committee



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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

provide for their families and have a cushion when they are released. Currently, individuals are released with nothing more than a plastic bag and a bus ticket. This is a problem that leads to recidivism. One-third of all releases are sent to Baltimore City, a significant portion therein are sent to my district. With this provision, individuals will have the necessary resources to re-enter society and start afresh.

I believe that it is our civil duty to help these individuals but moreso, it is good public policy to ensure parents can support their children and to come home – overwhelmingly to my neighborhoods, set up for success. By ensuring fair compensation we can help to break the cycle of poverty and crime and promote success and stability for all. This is addressing a root cause of violence called abject concentrated and compounded poverty. With this measure we can reduce crime, we can reduce recidivism, we can reduce poverty – especially child poverty – call me corny for being another legislator trying to bring a bill meant to leave no one behind.

Allowing individuals in custody to return to their communities with resources and a solid foundation can greatly improve their chances of success and stability, reducing the likelihood of reoffending. I urge you to support House Bill 1123 as it has the potential to positively impact the lives of many individuals who are incarcerated and their families. This measure is about crime prevention and public safety. This is how we address root causes. This is murder prevention.

For the aforementioned reasons I urge a FAVORABLE report.

Thank you for your consideration.



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*Supporting this legislation will:*

1. *Provide financial support to families* of incarcerated individuals, particularly when the inmate was the primary breadwinner. By allowing inmates to save a portion of their wages, they can contribute to a financial safety net for their families after their release, reducing the likelihood of poverty and crime in their communities.
2. *Promote equity in the criminal justice system*, especially in cases where inmates are paid wages below the market rate. By allowing inmates to save a portion of their wages, they can accumulate financial resources to support their reentry into society after their release, potentially mitigating the impact of previous economic disadvantage and contributing to a more equitable society.
3. *Increase a sense of purpose and self-worth*, which can improve their mental health and wellbeing. By allowing inmates to save a portion of their wages, they can feel a sense of control over their financial future and contribute to their personal and financial goals, which can further enhance their sense of purpose and motivation to avoid criminal activities.
4. *Decrease recidivism rates*, as it can offer financial stability during incarceration and motivate them to participate in job training and education programs that can facilitate their success upon release. Allowing inmates to save a portion of their wages can further support their reentry into society by providing them with financial resources to secure housing, transportation, and other basic needs, reducing the likelihood of recidivism and promoting public safety.
5. *Decrease poverty among their families and communities*, particularly in areas with high incarceration rates. Allowing inmates to save a portion of their wages can further contribute to poverty reduction and community revitalization, as inmates can use their savings to support small businesses, invest in education, and promote economic development.
6. *Provide job skills and training* that can aid their chances of securing employment after release. Allowing inmates to save a portion of their wages can further support their employment prospects, as they can use their savings to purchase appropriate attire, cover transportation costs, and contribute to any certification or licensing fees required for their desired field.
7. *Increase feelings of value and respect* which can promote positive behavior while incarcerated, creating a safer and more peaceful environment within correctional facilities. Allowing inmates to save a portion of their wages can further promote positive behavior, as it can provide them with a sense of responsibility and financial discipline, enhancing their prospects for a successful reentry into society.
8. *Support their rehabilitation and reentry into society* by providing financial resources to secure housing, food, and other basic needs upon release. Allowing inmates to save a portion of their wages can further support their successful reentry into society, as it can provide them with a financial cushion for unexpected expenses, reduce their reliance on public assistance, and promote their self-sufficiency and independence.

**HB1123 - SUP - GR23.pdf**

Uploaded by: Drew Jabin

Position: FAV



**HB 1123 - Correctional Services – Maryland Correctional Enterprises – Minimum Wage and Inmate Financial Accounts**

**Committee:** House Appropriations Committee

**Date:** March 9, 2023

**Position:** Support

The Maryland Bankers Association (MBA) **SUPPORTS** HB 1123, which would require that the mandatory workforce skills training program provided to all inmates include a class on financial literacy.

MBA and its members recognize the critical importance of financial literacy skills and have long viewed this as a key priority. Maryland banks have worked consistently to help provide financial education programs and resources that make the communities better. It is more important than ever that all Marylanders understand that creating and maintaining a banking relationship and history of good credit is essential to their futures.

MBA appreciates the specific inclusion of financial literacy in HB 1123 and accordingly, MBA urges a **FAVORABLE** report on the bill.

*The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing more than 30,000 Marylanders and holding more than \$181 billion in deposits in over 1,000 branches across our State. The Maryland banking industry serves about 4 million customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.*

**Official SAO Testimony MGA HB1123.pdf**

Uploaded by: Hassan Giordano

Position: FAV



March 09, 2023

**House Appropriations Committee,**  
Chairman, Ben Barnes

**Support for HB1123 –Correctional Services – Maryland Correctional Enterprises – Minimum Wage and Inmate Financial Accounts**

Attention Chairman Barnes, Vice-Chair Chang and members of the committee:

I am writing to express my **support for HB1123 –Correctional Services – Maryland Correctional Enterprises – Minimum Wage and Inmate Financial Accounts.**

This bill will work to assist the Baltimore City State's Attorney's Office by aiming to reduce the recidivism rate by offering offenders individualized rehabilitative programming and a minimum wage during incarceration in order to assist them upon their release.

As a prosecutor whose duty is to ensure that public safety is always the #1 focus of my office, I believe that this bill helps empower those who have the unfortunate circumstance of having to spend time behind bars, by providing a minimum wage while incarcerated, helping to acquire financial resources to be successful upon release. Given the realities that the greater percentage of those incarcerated will one day return to the communities that many of us represent, we must be proactive in ensuring their success by putting in place programs and opportunities for them to take advantage of in order to reduce the risk of recidivism.

By paying these men and women a meaningful wage for the hard work being performed during their incarceration, we not only empower the individual convicted of a crime to be successful when they return home, but we also help their family and the community, by providing financial resources that will likely assist in their day-to-day lives, including helping pay any outstanding debt.

Delegate Young's bill ensures that we are paying these individuals a wage worthy of their efforts, some of whom helped moved the furniture into your offices here in the state house. Paying someone \$3 a day for work that would typically cost you hundreds, if not thousands of dollars to produce, is not a standard Maryland should be proud of, and this is an opportunity show those within our communities, that we are willing to pay all Marylanders a fair wage, despite their circumstances.

Beyond just the minimum wage, this bill also recognizes the importance of having these individuals take full advantage of financial literacy and job readiness skills we are willing to offer them. Progress is not just a word to be





used to characterize a certain class of individuals, but rather is an action we must be willing to ensure exists in every facet of our everyday lives, and the passage of this bill will showcase just that.

As an elected representative of constituents who aren't always on the right side of the law, I have a duty to do what I can to assist in their daily growth, including offering rehabilitative services to those who may have broken the law, and to help ensure that they do not reoffend in the future. HB1123 is a bill that will allow our criminal justice system to do just that, offering individualized rehabilitative services and financial guidance and assistance to those who have committed a crime, but are now working towards a brighter future.

I will continue to be vocal in my pursuit of ending gun violence by any means necessary, but that is not a one-way street paved with penalties. We have to begin addressing the root cause of crime, which in most circumstances is the lack of financial means. There is no magic solution to the problems we face, but we have an opportunity to offer alternatives to what we've been doing by supporting common-sense, progressive approaches to public safety like HB1123.

I would urge a favorable vote on this bill, and thank you for your time and consideration. I pray for your continued health and well-being, and I appreciate the service you provide to our great state, along with the level of engagement and commitment you provide to our communities on a daily basis.

Sincerely,

A handwritten signature in black ink, appearing to read "Ivan J. Bates".

Ivan J. Bates, Esq.  
State's Attorney for Baltimore City

# **hb1123- minimum wage for incarcerated- APP (JUD) 3**

Uploaded by: Lee Hudson

Position: FAV



**Delaware-Maryland Synod**  
**Evangelical Lutheran Church in America**  
God's work. Our hands.

Testimony Prepared for the  
**Appropriations Committee**  
and the  
Judiciary Committee  
on  
**House Bill 1123**  
March 9, 2023  
Position: **Favorable**

Misters Chairmen, and members of the Committees, thank you for this opportunity to support restorative justice for incarcerated individuals in Maryland. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, EvangeliCal Lutheran Church in America. We are a faith community with three judicatories located in every region of our State.

Our community committed itself to work and advocate better outcomes for the incarcerated and their communities. We have said, *(t)o dramatically increase chances for success, re-entry support must begin long before release from prison. By identifying needs such as basic life-skill and job-skill training, education and treatment needs at sentencing, and then comprehensively addressing these needs during incarceration, the likelihood of successful transition back into the community is heightened.* (“The Church and Criminal Justice,” ELCA, 2013.)

We also conduct a ministry inside the Maryland Corrections system, the Community of St. Dysmas. One of its goals is supporting successful reentry into community, family, and society when its members are released. We share an interest of many others in restorative justice to reduce recidivism and reclaim human life for productive social engagement.

**House Bill 1123** would establish the State minimum wage as compensation for work performed on the inside. This will benefit existing stated goals for correctional services during incarceration. Meaningful work should be lawfully compensated wherever it is performed. Making it so on the inside can be taken as a pledge of productive restoration to society, which is, after all, the point of calling criminal sentences “corrections.”

Therefore, we support **House Bill 1123** and ask a favorable report.

Lee Hudson

**HB1123-APP-FAV.pdf**

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT  
MAYOR

*Office of Government Relations  
88 State Circle  
Annapolis, Maryland 21401*

**HB 1123**

March 9, 2023

**TO:** Members of the House Appropriations Committee

**FROM:** Nina Themelis, Interim Director of Mayor's Office of Government Relations

**RE:** House Bill 1123 – Correctional Services – Maryland Correctional Enterprises – Minimum Wage and Inmate Financial Accounts

**POSITION: Support**

Chair Barnes, Vice Chair Chang, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 1123.

HB 1123 ensures that incarcerated workers in Maryland Correctional facilities are paid the state minimum wage for their labor. It also provides for inmates' use of funds in financial accounts, and requires classes for inmates on financial literacy along with job readiness training and job placement assistance. This bill is an important step in improving conditions for incarcerated individuals by guaranteeing fair wages. In advancing job and educational opportunities in prisons, it will help to prepare returning citizens to successfully reenter their communities and reduce recidivism.

Providing a reasonable wage and life skills training is a key component for an incarcerated person's rehabilitation. Increasing wages for incarcerated workers will not only benefit the overall economy but also the morale of the incarcerated population. It will provide independence and foster a sense of responsibility. Moreover, by requiring financial literacy, job readiness and job placement assistance, this legislation will increase the likelihood of successful reintegration into society upon release.

For these reasons, the BCA respectfully requests a **favorable** report on HB 1123.

**HB1123 Letter of Information 3.3.2023.pdf**

Uploaded by: Christine Cunningham

Position: INFO



## Department of Public Safety and Correctional Services

### Maryland Correctional Enterprises

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(410) 540-5400 • FAX (410) 540-5570 • TTY USERS (800) 735-2258

STATE OF MARYLAND

WES MOORE  
GOVERNOR

ARUNA MILLER  
LT. GOVERNOR

CAROLYN J. SCRUGGS  
SECRETARY

CHRISTINA LENTZ  
ACTING  
DEPUTY SECRETARY  
ADMINISTRATION

ANNIE D. HARVEY  
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OPERATIONS

VACANT  
ASSISTANT SECRETARY

MARYLAND  
CORRECTIONAL  
ENTERPRISES

STEPHEN SANDERS  
CHIEF EXECUTIVE  
OFFICER

**BILL:** House Bill 1123 - Correctional Services – Maryland Correctional Enterprises Minimum Wage and Inmate Financial Accounts

**DATE:** March 3, 2023

### LETTER OF INFORMATION:

MCE strives to teach real-world, marketable, hard and soft skills to incarcerated persons (IPs) across that state of Maryland. The passage of HB1123 would have a tremendous impact on the operations of MCE and the Department of Public Safety and Correctional Services. In order to maintain equal or expanded programming, MCE would require additional, significant contributions from the state's general fund as allowed in subsection (c) of the Maryland Correctional Services Code § 3-507:

“...General Fund money may be appropriated to Maryland Correctional Enterprises to be used for the direct expenses of training inmates”.

With the implementation of HB1123, and Maryland moving towards a minimum wage of \$15.00/hour by 2023, MCE's expenditures for IP stipends would increase from \$1.8 million in FY'22 to \$37 million for 1200 program participants in the first full fiscal year this bill would be implemented, FY'24. This would undoubtedly cause the bankruptcy of MCE and the layoff and/or relocation of almost 200 dedicated MCE civilian staff. As more program participants are added to our program the annual expenditures will increase by \$3 million for every 100 participants. In future years, in alignment with the anticipated goals of MCE, expenditures for IP stipends would exceed \$45 million annually.

Passage of this bill would eliminate our ability to maintain a self-supporting status. Should the General Fund not be able to sustain the payment of stipends, MCE would face a decline in our operations which would directly result in decreased IP programming. In turn, this would place a further strain on the supervision duties of state facilities. It can be assumed that a reduction in the MCE participants would cause an increased need for staff in the institutions resulting in increased IP idleness and additional incarceration costs for DPSCS. **Without significant contributions from the general fund**, in excess of the current budget, passage of this bill would result in a complete deterioration of the rehabilitation and reentry service for the incarcerated individuals in the State of Maryland. This would be detrimental to every community in Maryland, as 95% of incarcerated individuals will be returning home at some point. Consideration should also be given to those within the community who are making this same rate, but also must pay for living expenses, including taxes. **Those who are incarcerated would have discretionary income far greater than the discretionary income of most Marylanders as IPs do not receive deductions from stipends unless they are court mandated.**

Assuming that MCE would be required to maintain production, our revenues would continue on the current trajectory. However, our funding capabilities would be diminished. MCE's self-supporting status would be non-existent and we would require General Fund contributions in excess of \$37 million dollars in FY'24 and exceeding \$45 million in future years. Should MCE be forced to downsize our training participants, we would see a decline in our revenues based on participant availability. MCE strives to increase business opportunities in order to maximize our ability to provide training to our incarcerated participants.

Revenues generated by MCE are utilized to acquire the raw materials, equipment, machinery, and other resources necessary to continue to offer additional opportunities for incarcerated individuals. **A Financial Summary of MCE is included in Appendix A found on the following page of this letter.** This provides a detailed view of MCE's expense allocation and demonstrates our inability to supplement the costs of this bill solely through Special Funds.

With the minimum wage increase to \$15.00 by FY'24, MCE would now pay over \$37 million in IP stipends in FY'24. By FY'25 IP stipends would balloon to \$40.5 million annually. This is compared to \$1.8 million for participant stipends in FY'22. MCE would be unable to provide payment for these additional required "wages" and would consequently become a bankrupt state agency.

Assuming MCE continues to provide programming for over 1,200 participants as planned, we anticipate an increase and continued annual expense exceeding \$37 million in participant stipends in FY'24 should HB1123 pass.

A decline in the functionality of MCE negatively impacts the state as a whole. According to the National Correctional Industries Association (NCIA) studies continue to show that involvement in a correctional industries program has a positive effect on lowering states' recidivism rates. It can be assumed that a reduction in MCE's operations would negatively impact the recidivism rate in Maryland. As our work progresses, it has become evident that training and education have become vital to a person's success upon release. In conjunction with the Justice Reinvestment Act, DPSCS has been tasked with implementing additional training and vocational programs within the institutions; MCE does this at no cost to the taxpayer. Passage of this bill has the potential to negatively impact the level of programming leading to damaging effects for citizens and the formerly incarcerated alike without significant financial support from the General Fund. Higher recidivism rates result in more victims of crime, as well as increased public safety and incarceration costs on both state and local levels at an unknown rate.

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.



## Appendix A

<b>Maryland Correctional Enterprises</b>						
<b>Financial Summary</b>						
<b>Fiscal Years 2018 - 2022</b>						

	2018	2019	2020	2021	2022	Total
<b>Revenues (in Millions)</b>	<b>\$ 55.00</b>	<b>\$ 52.50</b>	<b>\$ 55.80</b>	<b>\$ 50.20</b>	<b>\$ 51.00</b>	<b>\$ 264.50</b>
<b>Expenses (% of Revenues)</b>	93.0%	97.9%	99.9%	98.6%	96.7%	97.2%
Inventory Used	49.0%	53.0%	56.5%	53.8%	56.8%	53.8%
Stipend paid to Incarcerated Persons	3.9%	4.4%	4.1%	2.6%	3.2%	3.6%
Shop Civilian Labor	12.6%	12.3%	12.3%	13.2%	12.0%	12.5%
Other Manufacturing Costs	9.4%	9.2%	8.2%	10.6%	5.8%	8.6%
Sales, Admin, Marketing Costs	11.8%	12.5%	12.3%	12.8%	12.3%	12.3%
Warehousing Costs	6.3%	6.5%	6.5%	5.6%	6.6%	6.3%
<b>Profit (in Millions)</b>	<b>\$ 3.80</b>	<b>\$ 1.10</b>	<b>\$ 0.08</b>	<b>\$ 0.68</b>	<b>\$ 1.60</b>	<b>\$ 7.26</b>
<b>Profit %</b>	<b>7.0%</b>	<b>2.1%</b>	<b>0.1%</b>	<b>1.4%</b>	<b>3.3%</b>	<b>2.8%</b>

Capital Investments (In Millions)	2018	2019	2020	2021	2022	Total
<b>Buildings/Improvements</b>	<b>\$ 2.90</b>	<b>\$ 0.30</b>	<b>\$ 0.10</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3.30</b>
<b>Machinery &amp; Equipment</b>	<b>\$ 0.50</b>	<b>\$ 0.60</b>	<b>\$ 0.70</b>	<b>\$ 0.90</b>	<b>\$ 0.70</b>	<b>\$ 3.40</b>
<b>Vehicles</b>	<b>\$ 0.40</b>	<b>\$ -</b>	<b>\$ 0.20</b>	<b>\$ -</b>	<b>\$ 0.30</b>	<b>\$ 0.90</b>
<b>Total Capital Investments</b>	<b>\$ 3.80</b>	<b>\$ 0.90</b>	<b>\$ 1.00</b>	<b>\$ 0.90</b>	<b>\$ 1.00</b>	<b>\$ 7.60</b>

The chart shows sales for the past 5 fiscal years, the % of of expenses related to those sales, and the profit for each fiscal year. In addition, the chart show the re-investment of profits in capital assets.

**MCE has a profit goal of 3% each fiscal year, is a self-supporting agency by law, and receives no General Funds.**

**The percentage of Inventory Used represents the amount of materials consumed to produce revenues.**

*Wood, metals, meats, spices, paper, fabrics, inks*

**Stipend paid to Incarcerated Persons is the percentage of sales paid to workers.**

*The amount includes both base pay and incentive pay*

*The average stipend is over \$150 per month and should be viewed as "discretionary income".*

*Discretionary income = gross income of an average citizen, less taxes & monthly expenses.*

*For example: A citizen earning \$18 per hour in Maryland averages \$115 a month in discretionary income.*

**Shop civilian labor is the percentage of sales used to compensate staff working inside the prisons.**

*The civilian workforce is entitled to salary, paid time off, pension, and health insurance.*

**Other manufacturing costs is the percentage of sales used for :**

*Contractual Services, Safety Supplies, Utilities, Production Supplies*

*Security, Depreciation, Equipment Repairs*

**The percentage of sales used for Selling, Administration, and Marketing used for:**

*Information Technology, Finance, Design, Sales Team, and Management)*

**Warehousing Costs is the percentage of sales used for:**

*Salaries for Warehouse Staff and Drivers, Communications, Buliding Lease with DGS*

*Depreciation, Fuel, Vehicle Maintenance & Repairs, Insurance*

**HB1123 Letter of Information 3.3.2023.pdf**

Uploaded by: Christine Cunningham

Position: INFO



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**HB1123 Letter of Information 3.3.2023.pdf**

Uploaded by: Christine Cunningham

Position: INFO



## Department of Public Safety and Correctional Services

### Maryland Correctional Enterprises

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(410) 540-5400 • FAX (410) 540-5570 • TTY USERS (800) 735-2258

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MARYLAND  
CORRECTIONAL  
ENTERPRISES

STEPHEN SANDERS  
CHIEF EXECUTIVE  
OFFICER

**BILL:** House Bill 1123 - Correctional Services – Maryland Correctional Enterprises Minimum Wage and Inmate Financial Accounts

**DATE:** March 3, 2023

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With the implementation of HB1123, and Maryland moving towards a minimum wage of \$15.00/hour by 2023, MCE's expenditures for IP stipends would increase from \$1.8 million in FY'22 to \$37 million for 1200 program participants in the first full fiscal year this bill would be implemented, FY'24. This would undoubtedly cause the bankruptcy of MCE and the layoff and/or relocation of almost 200 dedicated MCE civilian staff. As more program participants are added to our program the annual expenditures will increase by \$3 million for every 100 participants. In future years, in alignment with the anticipated goals of MCE, expenditures for IP stipends would exceed \$45 million annually.

Passage of this bill would eliminate our ability to maintain a self-supporting status. Should the General Fund not be able to sustain the payment of stipends, MCE would face a decline in our operations which would directly result in decreased IP programming. In turn, this would place a further strain on the supervision duties of state facilities. It can be assumed that a reduction in the MCE participants would cause an increased need for staff in the institutions resulting in increased IP idleness and additional incarceration costs for DPSCS. **Without significant contributions from the general fund**, in excess of the current budget, passage of this bill would result in a complete deterioration of the rehabilitation and reentry service for the incarcerated individuals in the State of Maryland. This would be detrimental to every community in Maryland, as 95% of incarcerated individuals will be returning home at some point. Consideration should also be given to those within the community who are making this same rate, but also must pay for living expenses, including taxes. **Those who are incarcerated would have discretionary income far greater than the discretionary income of most Marylanders as IPs do not receive deductions from stipends unless they are court mandated.**

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Revenues generated by MCE are utilized to acquire the raw materials, equipment, machinery, and other resources necessary to continue to offer additional opportunities for incarcerated individuals. **A Financial Summary of MCE is included in Appendix A found on the following page of this letter.** This provides a detailed view of MCE's expense allocation and demonstrates our inability to supplement the costs of this bill solely through Special Funds.

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Assuming MCE continues to provide programming for over 1,200 participants as planned, we anticipate an increase and continued annual expense exceeding \$37 million in participant stipends in FY'24 should HB1123 pass.

A decline in the functionality of MCE negatively impacts the state as a whole. According to the National Correctional Industries Association (NCIA) studies continue to show that involvement in a correctional industries program has a positive effect on lowering states' recidivism rates. It can be assumed that a reduction in MCE's operations would negatively impact the recidivism rate in Maryland. As our work progresses, it has become evident that training and education have become vital to a person's success upon release. In conjunction with the Justice Reinvestment Act, DPSCS has been tasked with implementing additional training and vocational programs within the institutions; MCE does this at no cost to the taxpayer. Passage of this bill has the potential to negatively impact the level of programming leading to damaging effects for citizens and the formerly incarcerated alike without significant financial support from the General Fund. Higher recidivism rates result in more victims of crime, as well as increased public safety and incarceration costs on both state and local levels at an unknown rate.

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## Appendix A

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# **HB1123 - Minimum Wage ad Inmate Financial Account**

Uploaded by: Jennifer Beskid

Position: INFO



## Department of Public Safety and Correctional Services

### Office of Government & Legislative Affairs

45 Calvert Street, Suite 7A, Annapolis, MD 21401  
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JENNIFER A. BESKID  
DIRECTOR

**BILL: HOUSE BILL 1123**

**POSITION: LETTER OF INFORMATION**

**EXPLANATION:** This bill places restrictions on how much an incarcerated person may spend from their inmate account on commissary items, and provides that court-ordered financial obligations shall be deducted after the deduction is made for commissary items.

#### **COMMENTS:**

- The Department operates the Division of Correction (DOC), the Division of Pretrial Detention and Services (DPDS), and the Division of Parole and Probation (DPP).
  - DOC operates 13 State correctional facilities housing offenders sentenced to periods of incarceration for 18 months and longer.
  - DPDS operates the Baltimore City Pretrial Complex which houses pretrial detainees and incarcerated individuals sentenced to incarceration for periods of 18 months and less.
  - DPP supervises parolees, probationers and those on mandatory release from correctional facilities.
- HB 1123 provides that an incarcerated individual may have access to 5% of the individual's bank account balance or \$200.00 per month to spend on commissary purchases, and if the bank account balance is less than \$200.00, the individual may spend the entire balance on commissary purchases.
- Departmental policy provides that an incarcerated individual may spend \$85.00 per week or \$340.00 monthly on commissary purchases.
- This bill is also in direct conflict with Statute, as it would allow for the \$200 monthly deduction for commissary spending to be made before any court-ordered financial obligations are deducted including child support or victim restitution.
- Correctional Services Article § 9-615 mandates the order of payments from an incarcerated individual's earnings as follows:
  - (1) reimburse the State for the cost of providing food, lodging,

- and clothing;
  - (2) pay court ordered payments for support of dependents;
  - (3) pay court ordered payments of restitution; and
  - (4) payment compensation for victims of crime.
- Once court ordered obligations are satisfied, the remaining balance is then applied to bring the reserve and spending accounts to the minimum level, as needed. The same applies for any non-payroll receipts that may be deposited into an individual's account.
  - The Department receives 20% of all commissionable sales and uses 100% of the revenue to fund the inmate welfare fund. This fund is used to provide goods and services, such as library books and supplies, welfare kits, and access to PRISM for legal assistance that benefit the general incarcerated population. Imposing a tighter restriction on the amount an incarcerated individual can spend on commissary purchases, will decrease commissary revenues and therefore decrease the amount of funds in the incarcerated individual welfare fund.

**CONCLUSION:** For these reasons, the Department of Public Safety and Correctional Services respectfully requests the Committee consider this information as it deliberates House Bill 1123.