

MAINE STATE LEGISLATURE

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**STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR SESSION**

Executive Summary

COMMITTEE TO STUDY THE PRISON INDUSTRIES PROGRAM

February 2008

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	Rep. Stan Gerzofsky, Chair
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To: Members, 123rd Maine Legislature

From: Sen. Bill Diamond, Senate Chair
Rep. Stan Gerzofsky, House Chair
Joint Standing Committee on Criminal Justice & Public Safety

Re: Committee report on work pursuant to HP 1334, JOINT ORDER, establishing the
Committee To Study the Prison Industries Program

Date: February 26, 2008

The Committee to Study the Prison Industries Program was created pursuant to Joint Study Order, House Paper 1334, during the First Regular Session of the 123rd Legislature. (See Appendix A.) The Committee to Study the Prison Industries Program consisted of the 13 members who serve on the Joint Standing Committee on Criminal Justice and Public Safety, and the committee's charge was to:

- Review and assess the current Department of Corrections industries program, as well as past industries programs studies and proposed changes;
- Investigate industries programs in other states;
- Consult with the Department of Labor and other experts to help determine what areas of the workforce clients who participate in industries programs may be able to transition into upon release;
- Develop a plan to ensure that an industries program has the financial capacity to be of value;
- Identify a standard accounting procedure and other standard policies for operating an industries program;
- Exercise any other steps necessary to evaluate, define and implement a financially viable, productive and useful corrections industries program that will support itself, provide support to the corrections system and provide skills to clients; and
- Report its findings and recommendations to the Legislature.

The Committee to Study the Prison Industries Program met three times. In completing its work, the committee consulted with the Department of Corrections, the Department of Labor and the Department of Administrative and Financial Services, Bureau of General Services. With the Department of Corrections, the committee discussed the history of prison industries in Maine, the current prison industries programs and the level of participation and costs to operate each and what areas in which the industries program could improve. With the Department of Labor, the committee discussed how the industries program can be an important workforce development tool and what kinds of career center services and outreach are available to inmates. With the Department of Administrative and Financial Services, Bureau of General Services, the committee discussed how the prison industries program can provide products for the State and issues of competition with the private sector.

After reviewing the history of the prison industries program, gathering information about the current industries program and other states' programs and discussing issues and challenges of the industries program at length, the committee made a number of recommendations for immediate changes and some recommendations for long term changes within the industries program.

Goals and Recommendations of the Criminal Justice and Public Safety Committee on Prison Industries

- 1. Increase sales of industry products at the Maine State Prison Showroom in Thomaston and the Industries Outlet store outside of the Maine Correctional Center in Windham.** The committee believes that sales for prison industry products could be improved with better advertising, marketing, an improved website and development of new products. Improving the profitability of prison industry programs is an important goal.
- 2. Develop a consistent format for financial reporting and accounting across all prison industries.** Currently, various corrections institutions have different methods for financial reporting, making it difficult to compare programs across institutions. The committee recommends that a consistent reporting format be developed and implemented in all corrections institutions for each industries program.
- 3. Develop products that may be sold to state agencies through the procurement process.** The committee believes that there is a potential for prison industries to successfully bid on contracts with state agencies. However, it would be inappropriate to grant preferential treatment to prison industries. The issue of granting preferential treatment to Maine bidders has been raised in the past and rejected by the Legislature. The concern is that if Maine grants preferential treatment to in-state contracts, other states may retaliate and Maine wants to be a net exporter of goods and services. There are no barriers to developing products useful for state agencies, provided that prison industries are sensitive to the private market and competition. The Advisory Committee on Fair Competition with Private Enterprise reviews complaints of unfair competition by government with private enterprise.
- 4. Increase participation in the federal Prison Industry Enhancement Certification Program (PIECP) in order to sell products across state lines.** Currently the only PIE certified program in Maine is the upholstery program. The upholstery program currently pays

\$7.57 an hour and 100% of the inmates employed in the program have 80% of the pay deducted for room and board, taxes, family support and victim restitution. The committee learned of research that suggests that recidivism is reduced by participation in PIECP, because the program teaches good work habits and is a useful management tool for good behavior. Participation in PIECP includes the following federal requirements.

- Inmates must be paid a prevailing wage. Up to 80% of PIE wages may be taken for room and board, taxes, family support, and crime victim compensation (between 5-20% deduction).
- Certified state and local departments of corrections are exempted from normal restrictions on the sale of prisoner-made goods in interstate commerce.
- Written assurances are required that the PIE certified program will not result in the displacement of workers employed before program implementation.
- Inmate participation must be voluntary.
- Written proof of consultation with related organized labor and related local private industry is required prior to PIECP startup.

If the woodshop program became PIE certified, the prevailing wage would be \$9.50 an hour plus workman's compensation. This would have an impact on the price of goods. For example, the striped cutting board currently sells for \$11.95 with a 200% markup. At the new rate, the price would be \$23.38 (or \$17.10 with 100% markup).

If the plate program was PIE certified, the current wage of \$5.10 an hour would have to be increased by \$2.00 an hour. The plate shop program is tied to a two year agreement with the Secretary of State's Office. The Secretary of State provides all the materials and equipment; and the Department of Corrections provides the security and supervision. Profit is 5 cents a plate. Prisoners keep their hourly wage.

- 5. Increase the number of inmates involved in prison industries.** The Department of Corrections states that approximately 700 of 900+ inmates are working in some manner. 180 prison inmates are involved in prison industries (including minimum security prisoners running the store). Other inmates participate in vocational/educational programs that are beneficial for inmates but do not produce revenue. In addition, some inmates work in services to the prisons, e.g. laundry, gardening or food service. The committee believes that most prison inmates should be required to work full-time during their period of incarceration (full-time work is 3 hours in the morning and 3 hours in the afternoon, because of the need for time for counts and meals; some inmates currently work up to 7.5 hours a day).
- 6. Make more user-friendly and simplify the Maine State Prison Industries website, including making the address more instinctive, e.g. mainepisonindustries.com is available. Additionally, persons should be able to purchase items through the website using credit cards.**
- 7. Provide statutory authority to create a Prison Industries Advisory Council to assist the Department of Corrections in meeting the goals and recommendations above. The advisory council's duties would include developing new marketing strategies, more**

diversified products lines and identifying methods to enhance programs and improve efficiency of operations through the system. (See proposed legislation at Appendix B.)

A similar advisory committee was established as a result of the 1983 report, "State of Maine Department of Corrections: Maine State Prison Industries Review and Recommendations." To be effective, the Council should include members from the private sector including business professionals with expertise in marketing, financial management, manufacturing, and retail sales. The council should also include two state government representatives who are professionals in labor or economic development. The council should work in cooperation with the Prison Industries Program managers, prison security staff, and additional members of the business community. The tasks of the Advisory Council include:

- Develop a business and marketing plan for prison industries;
- Develop recommendations to improve retail sales;
- Improve the advertising of the Maine State Prison Showroom in Thomaston and the Industries Outlet store outside of the Maine Correctional Center in Windham;
- Review the financial reporting and accounting systems and recommend a consistent format for all prison industries;
- Develop products that could be sold to state agencies through the procurement process;
- Make recommendations relating to creating prison industries under the federal Prison Industry Enhancement Certification Program (PIECP); and
- Make interim progress reports and annual recommendations to the Commissioner of the Department of Corrections and to the members of the joint standing committee of the Legislature having jurisdiction over criminal justice and public safety matters.

Reviewing the Prison Industries Program was a useful exercise, and we look forward to continuing to work with the Department of Corrections, as well as other state departments, to make prison industries available to more inmates, to make the program's products more available to more citizens and to continue to look for greater efficiencies in the program's operations. Please let us know if you have any questions.

APPENDIX A

H.P. 1334

ORDERED, the Senate concurring, that the Committee To Study the Prison Industries Program is established as follows.

1. Committee To Study the Prison Industries Program established. The Committee to Study the Prison Industries Program, referred to in this order as "the committee," is established.

2. Membership. The committee consists of the 13 members of the Joint Standing Committee on Criminal Justice and Public Safety.

3. Committee chairs. The Senate Chair and the House Chair of the Joint Standing Committee on Criminal Justice and Public Safety are the chairs of the committee.

4. Convening of committee. The chairs of the committee shall call and convene the first meeting of the committee, which must be no later than September 15, 2007.

5. Duties. The committee's duties include:

- A. Reviewing and assessing the current Department of Corrections' industries program, as well as past industries programs studies and proposed changes;
- B. Investigating industries programs in other states;
- C. Consulting with the Department of Labor and other experts to help determine what areas of the workforce clients who participate in industries programs may be able to transition into upon release;
- D. Developing a plan to ensure that an industries program has the financial capacity to be of value;

E. Identifying a standard accounting procedure and other standard policies for operating an industries program; and

F. Exercising any other steps necessary to evaluate, define and implement a financially viable, productive and useful corrections industries program that will support itself, provide support to the corrections system and provide skills to clients.

6. Staff assistance. The Legislative Council shall provide necessary staffing services to the committee.

7. Compensation. Members of the committee are entitled to receive the legislative per diem and reimbursement for travel and other necessary expenses related to their attendance at authorized meetings of the committee.

8. Report. No later than January 15, 2008, the committee shall submit a report that includes its findings and recommendations, including suggested legislation, for presentation to the Second Regular Session of the 123rd Legislature. The committee is authorized to introduce legislation related to its report to the Second Regular Session of the 123rd Legislature at the time of submission of its report.

9. Extension. If the committee requires a limited extension of time to complete its study and make its report, it may apply to the Legislative Council, which may grant an extension. Upon submission of its required report, the committee terminates.

10. Budget. The chairs of the committee, with assistance from the committee staff, shall administer the committee's budget. Within 10 days after its first meeting, the committee shall present a work plan and proposed budget to the Legislative Council for its approval. The committee may not incur expenses that would result in the committee's

exceeding its approved budget. Upon request from the committee, the Executive Director of the Legislative Council shall promptly provide the committee chairs and staff with a status report on the committee's budget, expenditures incurred and paid and available funds.

APPENDIX B

PROPOSED BILL

An Act To Implement the Recommendations of the Committee To Study the Prison

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this Act needs to take effect before the expiration of the 90-day period in order for the Prison Industries Advisory Council to be established and begin its work as soon as possible in aiding the Department of Corrections in its effort to improve efficiencies and accountability in the prison industries program; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §12004-I, sub-§4-B is enacted to read:

4-B.

Corrections Prison Industries Advisory Council Not Authorized 34-A MRSA §3002-B

Sec. 2. 34-A MRSA §3002-B is enacted to read:

§ 3002-B. Prison Industries Advisory Council

1. Appointments. The commissioner shall appoint the 6-member Prison Industries Advisory Council, referred to in this section as "the council," as established by Title 5, section 12004-I, subsection 4-B. The term of office for members is 3 years. The initial appointments are:

A. Three members for 3 years;

B. Two member for 2 years; and

C. One member for one year.

A replacement for a council member who does not complete the council member's term of office serves for the remainder of the unexpired term.

2. Council members. The council members must include at least 3 private sector representatives, each of whom is a business professional in the area of marketing, financial management, manufacturing or retail sales. In addition, council members must include 2 State Government representatives who work in the areas of prison security, labor or economic development. The commissioner shall also appoint one department employee to serve as a nonvoting member.

3. Duties. The council shall work in cooperation with managers of prison industries programs, prison security staff and the business community to identify methods to enhance programs and improve efficiency of operations, including at a minimum:

A. Developing a business and marketing plan for prison industries;

B. Developing recommendations to improve advertising and retail sales and exploring more diversified product lines;

C. Reviewing the financial reporting and accounting systems and recommending a consistent and uniform format for all prison industries reporting; and

D. Making recommendations related to creating prison industries under the federal Prison Industry Enhancement Certification Program authorized by 18 United States Code, Section 1761(2006).

4. Meetings; reports. The council shall meet at least quarterly, shall make interim recommendations and at least an annual report to the commissioner and shall send copies of all interim recommendations and reports to the members of the joint standing committee of the Legislature having jurisdiction over criminal justice and public safety matters.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill is the recommendation of the Committee to Study the Prison Industries Program pursuant to Joint Order 2007, H.P. 1334. The bill creates the Prison Industries Advisory Council to help the Department of Corrections develop new marketing strategies and more diversified product lines and to identify methods to enhance programs and improve efficiency of operations throughout the prison industries system.