SPEAKER'S COUNCIL ON PRISON WORKFORCE

April 9, 1997 Hearing Room C

4:00 PM Tapes 1 - 3

MEMBERS PRESENT:

Rep. Lynn Lundquist, Chair

Ken Guenther, Vice-Chair

Rep. Steve Harper

Rep. Judith Uherbelau

Mac Epley, Jr.

Deniece Humphries

David Hussey

Greg Merten

Jackie Winters

Ted Winters

MEMBER EXCUSED: Bill Isaacson

Bob Prinslow

Terrol Johnson

STAFF PRESENT:

John Hellen, Administrator

Steve Wermuth, Committee Clerk

MEASURE/ISSUES HEARD:

Informational Meeting -

Prison Workforce

These minutes are in compliance with Senate and House Rules. <u>Only text enclosed in quotation</u> <u>marks reports a speaker's exact words.</u> For complete contents, please refer to the tapes.

Tape/#	Speaker	Comments
TAPE 1, A		
006	Chair Lundquist	Opens meeting at 4:00 p.m. Welcomes members and thanks them for participating. Gives opening comments, explains concept behind council is that the only way to move forward within the public sector, is when we have the private sector be a part of it. Comments that the only way we will ever reach the goal of making prisoners work, is to have private industry come forth and help in this process.
054	Chair Lundquist	Turns gavel over to Vice-Chair Guenther.
063	Margie Hunt	Suggests that members introduce themselves. Expects same decorum as with any committee, such as directing questions to the chair. Wants everyone to be comfortable.
094	Jackie Winters	President, Jackie's Ribs, Salem. Explains that she was active in the McCall administration. Currently serves on Marion County Public Safety Council.
105	Ted Winters	States that he was a field representative for Tom McCall. Since leaving state government, has worked with ex-offenders. Is an ex-offender himself. Was a member of the board of directors for American Correctional Association.
121	Margie Hunt	Chief of Staff, Speaker Lundquist. States that she is not a permanent member of this council.
125	Rep. Harper	State Representative, District 53. Says he is interested in privatization issue of prisons.
131	Mac Epley	Explains that he has a background in marketing, communications, and advertising. Very intrigued with opportunities of Measure 17.
145	John Hellen	Policy Advisor for Speaker Lundquist, Administrator for this council.
150	Rep. Uherbelau	State Representative, District 52. Attorney, Registered Nurse. Explains she wants to get past the rhetoric and get to issues of how to implement Measure 17.
157	Deniece Humphries	Explains that she is currently administrative support staff at a local consulting firm. Testifies that this is her first opportunity to participate in the political process, and has a personal interest in the prison work program as an exoffender.
164	David Hussey	Sergeant, Marion County Sheriff's Office. States he has been in law enforcement for 21 years.
171	Margie Hunt	Explains that Sheriff Bob Prinslow, Marion County Sheriff's Office; Greg Merten, Manager, Manufacturing Operation, Hewlett Packard; Bill Isaacson, Regional Director, Human Resources, Providence Health Systems; and Terrol Johnson, Corrections Officer, Multnomah County, are remaining members of the council.
180	Vice-Chair Guenther	States that he is an Oregonian as of 1952, and has been mainly in forest product industry. Asks guests to introduce themselves. Asks member Greg Merten, who just arrived, to introduce himself.

221	Greg Merten	Manager, Manufacturing Operations, Hewlett Packard. States that he is interested in the subject of the council, and does not have a lot of direct experience on the subject.
231	Vice-Chair Guenther	Explains what this council is aboutpassion. It may be a passion in wanting to see the law fulfilled, helping inmates, reduce state costs for prisons, humanitarian, helping to release energy of the prison workforce.
272	Kevin Mannix	 Attorney, Salem. States he has just completed four terms as a State Representative, representing Southeast Salem. * 1994, co-wrote Measure 17. * Measure 17 passed with 72% of the vote. * In 1993, along with State Representative Eugene Derfler, filed Measure 17.
300	Mannix	 * Everyone wanted inmates to work, but nobody wanted to handle certain aspects of it. * Prisoners should work as hard as the taxpayers that support them.
350	Mannix	 * Prisons should not be warehouses. * Why are prisoners getting food, clothing, and shelter when some people not in prison do not have these luxuries. * Measure 17 designed to make Oregon a national beacon about what prison work should be about. * Holding people accountable such as inmates, is a positive thing, it teaches responsibility.
398	Mannix	 * Many inmates do not have a needed education. * Measure 17 is a mandate for all agencies to cooperate with putting inmates to work, not just the Department of Corrections. * Measure 17 states that there are no restrictions as to competition when saving taxpayers money, if it is a government agency that is to receive prison goods or services.
TAPE 2,A		
003	Mannix	 * State penitentiary, rather than private sector, now does laundry for Oregon Health & Sciences University which saves about \$200,000-\$250,000 a year, which can be used by OHSU to help people with medical services. * Prisons cannot compete with the private sector, in the private sector. * Contracts with the private sector must be approved by the Prison Industries Board.

		* No agreements with the private sector can be fulfilled unless Prison Industries Board approves them.
		* Prison Industries Board consists of the Governor, Secretary of State, and the Treasurer.
051	Mannix	* Tremendous need for state government to fulfill obligations where they don't have the people power.
		* City of Salem had a team of ten inmates for park maintenance. Cost was \$175 a day, which paid for transportation, supervision, and little extra for inmates.
		* Taxpayers of Salem saved money, they got ten persons worth of work for the cost of two.
		* Keeping inmates busy may enhance security.
101	Mannix	* The Legislative Assembly during the first biennium appropriated \$22 million to Department of Corrections to put inmates to work. About half of that went to hire staff for Department of Corrections.
		* If passed, HJR 2 will make three changes. It decides: 1) whether inmates can sue to demand certain jobs; 2) whether Department of Corrections can include security/transportation time in the 40 hours a work that they're supposed to be putting inmates to work; 3) whether we can meet federal requirements for shipping prison-made goods in interstate commerce.
		* Federal requirements say prevailing wage must be paid when shipping interstate commerce.
151	Mannix	* Of the prevailing wage, inmate is allowed to keep 20%.
		* Encourages partnerships with the private sector, and creation of new job opportunities that do not presently exist.
		* Expand current services within government through use of inmates to save taxpayers money.
169	Mannix	* Most inmates will be released. We need to give them basic education and self esteem.
		* Work is rehabilitation.
209	Greg Merten	Asks to mention issues of safety and what percent of inmates are expected to participate, and asks what the ramp rate is.
213	Mannix	Explains that the public safety factor is incorporated in that the Director of Corrections is empowered.
		* There are provisions for physical, mental, and emotional illness which can all be exemptions.

		* An average of 10% of the inmates would not be working.
		* Stating that as of April 1, 1995, all inmates should be working, is unrealistic.
254	Mannix	* Around 51% of inmates are currently working or engaged in work education programs to meet standards of Measure 17.
290	Larry Niswender	Budget Analyst, Legislative Fiscal Office. Comments on what has been budgeted to date with the Department of Corrections for implementation of HJR 2 [EXHIBIT A].
336	Niswender	* Department of Corrections budget did contain about 47% of its planned expenditures for work crews, and another 27% for educational/vocational training opportunities.
		* About 97 correctional officers were hired to fulfill supervision requirements, which is included in expenditures.
353	Vice-Chair Guenther	Asks if the work crew expenditures are just staff.
355	Niswender	Explains that work crew expenditures reflect costs of supervision of inmates both inside and outside institutions.
361	Vice-Chair Guenther	Asks if supervisory costs would come out of expenditure figures.
		Comments that of the 97 correctional officers hired, about 35% were assigned to minimum custody institutions for outside work crews, and 65% were assigned to work crew supervision inside institutions.
		* Throughout the biennium, there have been a few budget adjustments.
369	Niswender	* Department of Corrections was provided with \$1.5 million in an emergency fund reservation to utilize as it identified opportunities to develop public/private partnerships.
		* If emergency fund was not accessed by November, 1996, then it would revert to the general fund use. Unfortunately, no plans were submitted for use of those funds, and are now no longer available.
412	Rep. Uherbelau	Asks to explain the reduction of \$1.2 million under vocational training.
		Explains that mid-biennium, there was a \$45 million re-balance.
414	Niswender	* Legislature gave authority to reallocate money within the budget. Department of Corrections chose to utilize \$1.2 million from Ballot Measure 17 implementation budget to help fulfill other budgetary shortfalls.
TAPE 1, B		
004	Jackie Winters	Asks if the \$208,000 figure under <i>Prison Industries Board</i> on Handout #3 is for staff positions only.
		Yes. Explains that the figure is primarily for two staff support positions, an

006	Niswender	executive support position, and a program executive position.	
009	Jackie Winters	Asks if all of the items with the exceptions of work crews, are primarily staffing.	
011	Niswender States that there are costs related to information management services, ris of the vocational training and education funds are provided by contract to Department of Corrections.		
)20	Jackie Winters	Asks if there is any receipt of funds as a result of the activities of the work crews.	
)22	Niswender	Explains that on this spreadsheet that would not be reflected. This spreadsheet basically shows what the general fund expenditures were within the department for those work crews, and that reflects Oregon taxpayers expenses to support the program.	
028	Vice-Chair Guenther	Asks Benjamin DeHaan, in audience, if he will be able to answer this question.	
)29	Benjamin DeHaan	Answers no.	
033	Vice-Chair Guenther	Asks if a phone call could do it.	
)33	DeHaan Responds he will try.		
)33	Vice-Chair Guenther	States that it would be helpful.	
035	Niswender	 Explains what has been accomplished with money that has been spent so far. * As of December 1996, about \$12 million of the \$22 million was spent. * 60% of the \$12 million was in the work crews, 22% for vocational and training type activities. * Governor's Recommended Budget 1997-99 for Department of Corrections - Ballot Measure 17, has been reduced by about \$7 million. * Department of Corrections is trying to put policy into effect stating that their goal is to use work crews, in hopes that those who contract to use those work crews may help to cover about 80% of the cost. 	
079	Vice-Chair Guenther	States that we do not have income showing on this budget.	
)85	Niswender	Responds that in the budget report, there are some spreadsheets that show the costs and revenue generated from various activities, as well as any net income, for prison industries activities.	
090	Vice-Chair Guenther	Asks if the information is historical.	
)91	Niswender	Responds affirmatively.	
	Vice-Chair		

091	Guenther	Asks about projections for 1997-99.
092	Niswender	States that he has no information on that with him today, but suggests that the department would have projected other funds revenues that would support the industries program.
096	Vice-Chair Guenther	Asks if he has a balance sheet to show income.
099	Niswender	No. Explains that his presentation was primarily focused on what the general fund support has been, which has been the major support to the program at this point.
101	Rep. Uherbelau	Asks if the figures "as of December 31, 1996," are for an entire biennium.
103	Niswender	Responds affirmatively.
104	Rep. Uherbelau	"We have spent about \$12 million and obligated about \$2 million, which brings us close to the projected budget. Is that correct?"
107	Niswender	"That is correct."
108	Rep. Uherbelau	Asks if it is correct that if we are allowed the same amount of money, then we will not be able to do much more than we have already done, unless you are able to leverage funds from somewhere else.
110	Niswender	 Explains that yes, that is correct. It becomes extremely critical that the department develop public/private partnerships that generate the opportunity to bring in revenue from other sources, other than being general fund reliant. * With prison population forecast growing and funding for program reducing, it would require the injection of other funds from outside sources.
121	Jackie Winters	Asks for insight about whether the funds for Prison Industries replaced the already placed funds.
126	Niswender	States that the items listed on handout are activities that were funded with general funds in 1995-97, and had not been funded with general funds to this extent previously. They were funded in smaller versions, but this amount was dedicated to the implementation of Ballot Measure 17.
134	Jackie Winters	Asks if these expenditures added to previous ones, and states that she is trying to get a clear picture of a budget.
139	Niswender	Comments that Prison Industries Board came into existence with the passage of Ballot Measure 17. * Other activities such as vocational training, education activities, and work crews were existent before passage of Ballot Measure 17. * Does not believe that some work-related activities were separately budgeted in same fashion as now.
148	Greg Merten	Asks if it is fair to take the \$12 million figure, and divide it by number of inmates involved, roughly 50%, and find out what it is costing per inmate to do this.

158	Greg Merten	probably were not funded through this, and that in gross terms, yes, that is true. Comments that it is \$3,000 per inmate, and asks if that is per year, and how long it took to spend the \$12 million.
		States that this reflects about an eighteen month expenditure pattern, and that there are other fixed costs that go on regardless of whether Ballot Measure 17 were in place. Explains that there was \$12 million spent in the first eighteen months to help fund this.
161	Niswender	* In the original \$22 million budget for 1995-97 and Governor's Recommended Budget by categories, there are two categories that were budgeted, but are no longer in Governor's Recommended Budget.
		* The funds from the categories that are no longer there are areas that agencies probably were in a better position to have utilized in 1997-99 than in 1995-97.
181	Greg Merten	Asks that if you have \$2,000 per inmate, per year, if there is an estimate of the value that has come out of that \$2,000.
187	Niswender	Responds he has not seen anything that would make that kind of comparison.
190	Greg Merten	Expresses that in one month, you ought to be able to create that annual value, if you are doing something useful.
194	Niswender	 States that in showing just general funding expenditures, one really doesn't capture the value added for the work done in public entities for the savings that they may have incurred by using inmates to avoid costs from using people from private contracts. * A certain military department has used inmates extensively for facility
		maintenance, and would have had to spend \$300,000 if they hired private contractors.
209	Vice-Chair Guenther	Asks if that could have shown up as a donation from Department of Corrections to the military department.
212	Niswender	 States that's something we just have not accounted for at this point. * If work crews are reliant on general fund dollars, there is significantly less money in 1997-99 to support those, and we need to find ways to make revenue and make that work. * Department is living with lack of space to develop some industries. * Existing facilities have limitations and won't have new facilities until Snake River facility opens in the middle of next biennium. * Facility to be constructed in Umatilla is scheduled to open in October, 1999. * Within the Willamette Valley, there won't be any new space for inmates to work inside walls until about 2005.

241	Greg Merten	work done by Department of Corrections, the money should go to Department of Corrections. If DMV gets to keep all the money, and not pay Department of Corrections, then it seems like we're masculating the effort, which is an accounting issue, not a real issue.
249	Niswender	Comments that in support of that, the Department of Corrections (DOC) would prefer agencies that utilize inmates, both public and private, reimburse the DOC up to 80% of the cost.
256	Greg Merten	Asks if that is an executive order.
257	Niswender	States that it is a policy the DOC is striving to implement, it takes those entities to utilize those agencies to have budgeted money to do that.
264	Mannix	An issue was raised as to why we were giving any of the money to DOC instead of giving the money to other agencies and telling them to contract with DOC. * "It didn't happen. This time around, I have recommended to the legislative leadership that any money given to DOC just be for inmate work programs within corrections."
276	Niswender	 Explains that there are some perceived constitutional conflicts that need to be addressed. * DOC was subjected to an audit [EXHIBIT B]. * A follow-up report is being developed at this point. * How can we get more people to participate in this so we can get more inmates to work?
323	Benjamin DeHaan	Deputy Director, Department Of Corrections. * Working inmates are essential for the Department of Corrections to run their institutions, for example, it keeps people busy, makes prisoners easier to keep track of, and there is less of a security risk. * Financially, it is too expensive to run institutions without inmate labor. * Largest part of inmate work is directed toward maintaining facilities.
369	Vice-Chair Guenther	Asks if it is a core belief of the Department Of Corrections that the workforce must be utilized properly.
372	DeHaan	 Answers yes. States that not every one of the 2,600 employees would say that. * There is much dispute about whether incarceration works and what programs are the best. * If taxpayers pay to keep prisoners inside, it makes sense that prisoners be able to support themselves legally upon their release. * Measure 17 has some legal issues needed to be contended with.

		* Most prison systems have some form of work programs.
		* Most prison systems around the country would be envious of Oregon's work programs.
413	DeHaan	* The goal of 100% employment by prisoners has never been achieved.
		* Oregon has a 52% employment rate among prisoners.
	<u> </u>	* Prisons cannot be placed in an area that cannot attract partnerships.
TAPE 2, B		
		* Architectural features of prisons are designed to keep things from moving in and out.
003	DeHaan	* If prisons are turned into industrial centers you have to get product out and raw materials in and cannot have product sitting in the sally port for days, waiting to make sure no one is getting out.
		* Department of Corrections is planning on using heartbeat monitors in the new prisons so they will not have to unload all goods off an incoming shipment.
010	Margie Hunt	Asks which prisoners can work outside prisons.
		Explains that ground was broken last Saturday for a new medium security prison in Umatilla.
		* New Umatilla prison was designed with work in mind. Going to be different than current prisons; for example, housing units will be much closer to where inmates work.
016	DeHaan	* If we work an inmate a 40 hour work week, getting them to and from work can be a chore because of metal detectors and pat searches, and our new prisons will accommodate that through technology.
		* Industrial space in new prisons will be more plentiful.
		* In Oregon, we have roughly 80% of 8,000 inmates eligible for work. Excluded inmates include those who are dangerous, handicapped, too sick to work, and those who represent a risk to security.
042	Vice-Chair Guenther	Asks if that includes janitorial work.
		Answers affirmatively.
044	DeHaan	* In a minimum security prison, you can have 40 inmates per correctional officer, if you put those prisoners in 10-man work crews, the ratio becomes 1:10, therefore supervisory costs go up.

		* Oregon only allows minimum security inmates to work outside the security perimeter.
058	Jackie Winters	Asks how many inmates are currently on work release.
059	DeHaan	Responds that only about 2 or 3 prisoners are currently on work release.
060	Jackie Winters	Asks why.
061	DeHaan	States that he cannot answer that question. States that work release was phased out before he got there. Assumes because of safety or cost issues, and states that he will get an answer.
066	Jackie Winters	Comments that work release was a very huge, successful program in Oregon in the past, and did not require a lot of supervision.
070	DeHaan	States that local government has responsibility for supervising inmates serving one year and less, and that does take away from potential work force.
078	Jackie Winters	Asks if the inmates under DeHaan's supervision are more medium and maximum security risks.
079	DeHaan	Responds that the proportion of medium security inmates is projected to rise, and generally there will be fewer minimums available for work in the state system, and more available at the county level.
088	Ted Winters	Asks how different the determination is on those inmates who participate and those who do not. Asks if it is any different than in the 1940's-60's when at least 80% of inmates in Oregon and Washington worked. Asks how different the security problem is now than it was in the 1940's-60's when there were still materials and prisoners going into and out of prisons.
100	DeHaan	 States that his institutional people report that the incarcerated population is becoming more difficult to manage. * More person to person and drug and alcohol crimes, lower age gang related crimes. * Inmates have become more aggressive and more violent. * Before 1985, all prisons were located in one county. Now prisons are spread across the state.
118	Mike Taaffe	 Administrator, Inmate Work Program, Department Of Corrections [EXHIBIT C]. * Spreadsheets are available that show funds other than general funds, both income and expenditures. * His department delivers work in institutional support, work crews, industries, and through private partnerships.
		* Longest history is institutional support, although work groups have a long

		history in Oregon also, and are minimum security inmates only.
		* Industries, which are "behind the walls activities," are in both medium and maximum security facilities.
		* Furniture factory, one laundry, and metal shop are all in Oregon State Penitentiary, our maximum security facility, and have been there for many years.
148	Greg Merten	Asks what percentage of inmates are involved in those activities.
149	Taaffe	States that approximately 500 inmates within the industries group participate. In work crews, there are approximately 60 crews of 10 people that go out on a daily basis around the state and have an effective range of about 60 miles from their institution so they can work and come back the same day.
161	Greg Merten	Asks if there is a limit on the length of a work day.
1.0	T. 60	States that there are no physical limits to the length of a day but there are economic such as overtime to supervision staff.
162	Taaffe	* There is currently one private partnership in Salem that produces wood products, and another in Ontario where inmates are working on construction of a new facility.
180	Vice-Chair Guenther	Asks how many inmates in each of the private partnerships.
181	Taaffe	Explains that in the Salem partnership about 40 inmates are involved and at a peak approximately 120 at the Ontario construction site.
185	Ted Winters	Asks what kind of wages, if any, inmates receive on those jobs.
186	Taaffe	Comments that products made instate remain instate. Salem partnership has U.S. market and most goods go out of state which invokes federal regulation that requires DOC to pay comparable wage to inmates which is around \$4.75-\$6.00 per hour. Partnership gets a bulk bill, they pay DOC, and inmates retain 20% of their earnings. Other 80% can be distributed for cost of care.
217	David Hussey	Asks if inmates are taxed on the income they earn.
220	Taaffe	Responds affirmatively.
221	David Hussey	Asks if that comes out of the 20%.
223	Taaffe	Explains that he does not know.
226	DeHaan	States that the inmates are only allowed to have about \$30 a month. The contractor at Snake River projects that they will use approximately 292,000 inmate hours in constructing the prison. The Umatilla facility will also take up another couple of years worth of labor hours.
		* Explains that he has the information requested earlier on biennium to date

		revenue from work crews, \$1.5 million.
		* Including revenue from farming operation, the total is \$2.8 million.
240	DeHaan	* In the case of the work crews, it would be charges levied against local jurisdictions for use of crews.
		* \$1.3 million from farming operation is gross total from products sold.
256	Jackie Winters	Asks if products sold from farming operation were sold to institution or outside the institution, and asks if there is a way to find out how much was sold to institution and how much to outside.
258	Taaffe	Responds that product was sold to both institution and outside and states that yes, there is a way to find out how much product sold to inside and outside. Asks if members would like them to get that information.
260	Jackie Winters	Explains that in order to get a picture of the program they would need that type of fiscal detail.
262	Taaffe	Offers to organize a budget presentation for the members.
273	Taaffe	 Explains that the group they call industries currently has two laundries, a furniture factory, metal shop, and will have a third laundry when completed in Ontario. * Currently have a Services Division in which there is telephone answering for DMV and Secretary of State's office, and limited office support activity.
		* Also have a mailroom function.
286	Mr. Winter	Verifies that in the women's facility there was the Corporation Commission. Used to have Oregon Medical, then maybe a year ago, was building a large facility. Asks what that large facility is.
299	Taaffe	Explains that the telephone answering services are currently split up, women's facility does DMV activities, Secretary of State calls were taken partially in women's facility, and partially to Oregon State Correctional Institute (OSCI), and are now all being taken at OSCI. Support from Oregon Medical Assistance Plan is also totally taken at OSCI.
307	Greg Merten	Questions the number of inmates that participate in work programs. States that Taaffe had talked about 1,300 inmates, figures the math, and states that we're still about 2,000 short.
313	Taaffe	Explains that we have a pool of about 6,000 eligible inmates. Approximately 3,000 are in education training or working 40 hours a week. Of the 3,000, about 1,200-1,300 are doing janitorial, painting, landscape and maintenance functions.
338	Jackie Winters	Asks how many working inmates we have increased as a result of Measure 17.
351	DeHaan	States that it will be difficult to account for all the inmates working.
353	Greg	Explains that he does not want it for all inmates but they are claiming roughly 50% and he wants to see a rough breakdown; then states that the figures given

	Merten	are close enough.
361	Vice-Chair Guenther	Requests that for the next presentation, could they give some more information on this subject.
373	DeHaan	States that the amount of information that is available before May of 1996 is very sketchy. He can give some estimates on how inmate hours are tracked, how they measure compliance, and what factors are taken into account.
382	Mac Epley	Asks if they can address some of what they have heard today before next meeting.
388	DeHaan	Answers yes. Gives his phone number to members in case they ever have any questions.
403	Ted Winters	Asks for specific information on the process used in respect of the private sector partnership.
411	DeHaan	Confirms and states that it will not take long to get.
422	Vice-Chair Guenther	Apologizes to Ted Winters and Deniece Humphries for not allowing to them to testify from personal experiences, and asks if next meeting will be all right for them to do so.
TAPE 3, A		
001	Vice-Chair Guenther	Asks if council members are comfortable with the council, and suggests that council meet at least once a month. Discusses possible meeting dates and times with members.
033	Jackie Winters	Suggests there be a meeting the second week of every month.
038	Vice-Chair Guenther	Thanks everyone for coming. Adjourns the meeting at 5:58 p.m.

Submitted By, Reviewed By,

Steve Wermuth, John Hellen,

Committee Clerk Administrator

EXHIBIT SUMMARY

- A Prison Workforce, written material, Larry Niswender, 13 pp
- B Prison Workforce, written material, Larry Niswender, 100 pp
- C- Prison Workforce, written material, Michael Taaffe, 79 pp