

HOUSE COMMITTEE ON JUDICIARY SUBCOMMITTEE ON CRIME AND CORRECTIONS

April 29, 1993 Hearing Room 357 3:00 p.m. Tapes 92 - 93

MEMBERS PRESENT: Rep. Bob Tiernan, Chair Rep. Kate Brown Rep. Peter Courtney Rep. Veral Tarno

VISITING MEMBER: Rep. Kevin Mannix

STAFF PRESENT: Julie Nolta, Committee Clerk Carole Souvenir, Committee Counsel

MEASURES CONSIDERED: HB 2370 - Relating to corrections HB 2706
- Relating to corrections HB 2759 - Relating to release of offenders

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These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. [--- Unable To Translate Graphic ---]

TAPE 92, SIDE A

003 CHAIR TIERNAN: Calls meeting to order at 3:10 p.m.

HB 2759 - WORK SESSION

(HB 2759 requires that the agency responsible for supervising sex offenders

who have a prior criminal history and a history of predatory behavior notify the local community that the offender is residing in the community.)

Witnesses: Joanne Fuller, Dept. of Corrections

012 CHAIR TIERNAN: Proposes to eliminate Section 1-3 of the HB 2759-3 amendments (EXHIBIT A) and add Section 1 of the -4 amendments (EXHIBIT

B) as Section 2. Makes this proposal to keep fiscal impact down and still make public notification.

046 HOLLY ROBINSON, COMMITTEE COUNSEL: Section 4 is also coming out? Section 3 could be left in and make it discretionary based on risk assessment.

053 REP. COURTNEY: Why take out Section 1? When does the newspaper notification have to be given?

CHAIR TIERNAN: Clarifies that Section 1 is not coming out, but Sections 2, 3, and 4 are coming out. Section 4 is up for debate.

061 REP. COURTNEY: We are taking out the significant notification process because of cost. Why take out the mandatory requirement that certain offenders shall be published in the newspaper?

HOLLY ROBINSON, COMMITTEE COUNSEL: Chair Tiernan expects that there would be additional amendments regarding newspaper notification which would be -3 or -4 amendments. -3 could be modified so that Section 2 becomes the newspaper notification or a separate section could deal with newspaper notification.

095 CHAIR TIERNAN: Counsel suggests taking out line 2 and part of line 3 of Section 4 of the -3 amendments to allow parole and probation officers to do risk assessment and do discretionary newspaper notification.

HOLLY ROBINSON, COMMITTEE COUNSEL: No, intended that they would do notice. If the committee wanted a provision that requires that each offender go through risk assessment and if community notification was appropriate, that they would have authority to do that.

CHAIR TIERNAN: Then I would leave in all of Section 4 except for those two lines.

114 REP. TARNO: Agrees with the idea as a jumping off point.

HOLLY ROBINSON, COMMITTEE COUNSEL: It also says that every offender shall have risk assessment done and where community notification is necessary, then they would do it.

139 CHAIR TIERNAN: Calls recess at 3:20 p.m. Reopens the meeting at 3:25 p.m.

CHAIR TIERNAN: Suggests leaving in Section 1 and taking out Sections 2 and 3 of the -3 amendments.

REP. TARNO: Suggests reviewing each section of the amendments separately.

157 HOLLY ROBINSON, COMMITTEE COUNSEL: Summarizes Section 1 of the -3 amendments.

169 HOLLY ROBINSON, COMMITTEE COUNSEL: Summarizes Section 2.

178 REP. COURTNEY: Confirms that Section 2 does not now make newspaper notification discretionary.

HOLLY ROBINSON, COMMITTEE COUNSEL: -3 amendments do not address newspaper notification at all. REP. COURTNEY: Section 2 does not take a group of sex offenders that we deem are of the type that we want mandatory notification on and say they are no longer mandatory but discretionary.

190 HOLLY ROBINSON, COMMITTEE COUNSEL: If you delete it from the bill, assuming that Section 4 stays in, it goes from mandatory to discretionary. If Section 2 is deleted, then there is no mandatory

notification on that group of people.

REP. COURTNEY: Has a problem with that. Discusses dangerous sex offenders.

207 REP. TARNO: Wouldn't they be covered in Section 3, subsection 1?

REP. COURTNEY: If that is the case, I would be willing to go with that. If we take out Section 2, does that put the dangerous sex offenders in newspaper notification?

HOLLY ROBINSON, COMMITTEE COUNSEL: As long as they are registered, they would be under newspaper notification.

219 CHAIR TIERNAN: The proposal is to eliminate Section 2.

HOLLY ROBINSON, COMMITTEE COUNSEL: Section 2, subsection (1) (a) causes the big impact because it is done across the board. If it was limited to "a history of predatory behavior" it would bring the fiscal impact down dramatically. Lines 22 and 23 of page 1 could be deleted and add a second characteristic and bring the fiscal down to about \$100,000.

CHAIR TIERNAN: Feels that is too narrow. We need broader notification.

HOLLY ROBINSON, COMMITTEE COUNSEL: That is not in lieu of newspaper notification. The committee could say there would be mandatory community notification on a limited group of offenders.

255 REP. TARNO: Asks if Rep. Courtney's concern is the history of the predatory behavior as well as prior conviction for sex offenses.

REP. COURTNEY: Yes.

264 REP. BROWN: These amendments are not necessary for probation departments to proceed this way, correct? We don't need this for them to do community notification?

HOLLY ROBINSON, COMMITTEE COUNSEL: Some feel statutory authority is necessary and some don't.

REP. BROWN: Because there is no authority allowing them to do it. But there is nothing prohibiting them from doing it.

275 HOLLY ROBINSON, COMMITTEE COUNSEL: The laws regarding release of information are unclear. The preference is that the legislature act.

REP. BROWN: Feels that newspaper notification is unconstitutional. Has no problem with mandatory notification for specific groups of people.

303 REP. COURTNEY: Appears that we are in agreement with Chair Tiernan's

suggestions.

308 CHAIR TIERNAN: Asks Ms. Fuller's opinion on the number of people and

resources.

311 JOANNE FULLER, DEPARTMENT OF CORRECTIONS: Would be talking about a couple of hundred offenders, \$1,300 per offender. Would significantly reduce the fiscal impact of the bill.

329 HOLLY ROBINSON, COMMITTEE COUNSEL: Confirms that lines 22 and 23 of p. 1 of the -4 amendments would be deleted and a new (a) would be inserted that would state that there will be a history of predatory behavior and prior criminal history. Does the committee want it to be sexual or non-sexual criminal history? It can be limited further to "predatory at a prior sexual offense."

349 HOLLY ROBINSON, COMMITTEE COUNSEL: Section 2 says "if three or more of these apply, the notification takes place." You can merge these into Section 4 and make the list discretionary and assume most of these people will now come under that. Then delete Section 3 so that you will have mandatory notification on those that are predatory and have a history of sexual offense and everybody else will be discretionary based on a risk assessment.

REP. COURTNEY: Asks the witness what predatory behavior includes.

FULLER: Assumes predatory behavior includes someone who is grooming or stalking victims or potential victims. Defines "grooming."

378 REP. COURTNEY: One or 2% of the sex crimes includes predatory behavior. Predatory can also include friends of the family.

FULLER: Would not look at the relationship, but what they are doing in the relationship or moving towards doing.

398 HOLLY ROBINSON, COMMITTEE COUNSEL: Section 3 is deleted. Section 4 would be modified to say risk assessment would be done on listed offenders and community notification as determined by rule. Section 5 will cover offender notebooks. Section 6 is the immunity piece.

FULLER: Proposes a language change in Section 6.

427 CHAIR TIERNAN: Adds "Department of Corrections, County Community Corrections, County Community Corrections agencies" which makes it broader.

HOLLY ROBINSON, COMMITTEE COUNSEL: There is another place in the bill that discusses "an agency that supervises" and that same phrase should be included in Section 6.

438 HOLLY ROBINSON, COMMITTEE COUNSEL: Summarizes Section 7. Summarizes Section 8. Does not need to be changed to conform with the rest of the bill. Discusses monthly newspaper notification in Exhibit B. The section has been revised to say that the notification would be done when a person is released on parole or probation.

CHAIR TIERNAN: Asks about the offenders moving or changing residences.

HOLLY ROBINSON, COMMITTEE COUNSEL: That is included.

489 REP. TARNO: Suggests the addition that State Corrections reports back to the 1995 legislature.

TAPE 93, SIDE A

035 HOLLY ROBINSON, COMMITTEE COUNSEL: Issue of newspaper notification is tricky in regards to constitutionality. Questions the differences between DUII notification and sex offender notification. To the degree that newspaper notification furthers the goal of community protection and deterrence, potential challenges are diminished. When it is a broad based effort, there is a potential for problems. Doesn't believe it is blatantly unconstitutional. 067 CHAIR TIERNAN: Testimony reflects that it is not meant to be punitive but it is helpful to the offenders in their rehabilitation and assists

the corrections officers in their jobs and helps protect the public.

FULLER: The officers find it is helpful and are supportive of it.

CHAIR TIERNAN: It is a tool to help them deal with the offender.

084 REP. TARNO: Asks for an overview of the final version of the amendments.

089 HOLLY ROBINSON, COMMITTEE COUNSEL: Summarizes changes to the -3 amendments.

134 MOTION: REP. COURTNEY: Moves HB 2759-3 AMENDMENTS AS AMENDED.

VOTE: Rep. Brown objects. The amendments are ADOPTED. All members are present.

139 MOTION: REP. COURTNEY: Moves HB 2759 AS AMENDED TO FULL COMMITTEE with a DO PASS recommendation.

REP. BROWN: Supported the bill in its prior form. Concerned about the newspaper notification section.

152 VOTE: 3-1 MOTION PASSES AYE: Courtney, Tarno, Tiernan NO: Brown

156 CHAIR TIERNAN: Calls a recess at 3:55 p.m. Reopens the meeting at 4:05 p.m.

HB 2370 & HB 2706 - WORK SESSION

Witnesses: Joe Gilliam, National Federation of Independent Business
Fred Nichols, Corrections Industries

163 CAROLE SOUVENIR, COMMITTEE COUNSEL: HB 2370 allows the Department of Corrections or a county to require an inmate to perform work or services in order to reimburse for costs. HB 2706 exempts the Department of Corrections industries from requirement that public contracts be based

upon competitive bids. Drafted HB 2706-2 amendments (EXHIBIT C) and Rep. Mannix drafted HB 2706-3 amendments (EXHIBIT D). Has prepared a memo which compares -2 and -3 amendments and additional issues (EXHIBIT E).

180 CHAIR TIERNAN: The idea behind the bills is to put as many prisoners to work as possible. Discusses benefits of prisoners working. Discusses

the need for incentives to make it work.

249 REP. MANNIX: It is a positive idea to enhance business in the community to create jobs and training for inmates as well as providing post release jobs.

CHAIR TIERNAN: Continues to speak on the positive aspects of the bills.

287 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 1 of the memo, Exhibit E.

330 REP. MANNIX: Competition issue needs to be addressed. The contracts

provision in the -2 amendments is more detailed than in -3.

387 CAROLE SOUVENIR, COMMITTEE COUNSEL: The preamble of the bill would be changed under the -3 amendments.

REP. MANNIX: Lines 3-9 of the -3 amendments provide a new preamble. Suggests changes in the language to make it more permanent. Delete "that there is unacceptably high percentage of inmate idleness" and insert "inmate idleness inside Oregon's correctional institutions is unacceptable." Where it refers to "physically able inmates" it should say "physically and mentally able inmates."

CHAIR TIERNAN: There are no objections to the preamble as stated by Rep. Mannix.

430 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 1 of HB 2370.

439 REP. MANNIX: Recommends adding "physically and mentally capable and is" after "who is" on line 8 of the bill. On line 9, after "work and services" add "at such rate of compensation established by the director."

REP. BROWN: Is this section necessary? They can already require an inmate to work.

CAROLE SOUVENIR, COMMITTEE COUNSEL: Under the Department of Correction administrative rules, it is voluntary to work for Unigroup. They can require them to work within the Department of Corrections.

480 REP. BROWN: They can require them to work within the institution. It is voluntary for Unigroup.

REP. MANNIX: In the Inmate Labor statute, ORS 421.400, it is the goal

of the Department of Corrections that they should work. It is not an authorization to require it.

TAPE 92, SIDE B

035 REP. TARNO: Thought that under statute the State Corrections can require an inmate to work.

REP. MANNIX: Listing the things for which wages shall be used is not specifically in statute. We will be saying in statute that these shall be done. The point is to move into why they are working and what they will do with the wages.

056 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 2 of HB 2370.

The bill deletes (a) and (b) of that section. -2 amendments make changes to that and -3 amendments leave that language out.

REP. MANNIX: The reason for taking out language is to give the Director of Corrections a broader latitude in putting prisoners to work through Prison Industries. Present language under (a) and (b) of Section 2 is considered restrictive as to opportunities to work. The language in -2 may be a good alternative. Discusses displacement.

100 REP. BROWN: Likes the language on p. 2, lines 9-12. Encourages the committee to keep current language within the statute.

REP. MANNIX: Biggest problem is the rate of unemployment. We may want to establish prison industry to help employ community members.

124 REP. BROWN: What about lines 9 and 10 on p. 2 of the bill?

REP. MANNIX: That is not as much of a problem.

CHAIR TIERNAN: What does "adversely affect" mean to this issue?

136 REP. MANNIX: There is another requirement in both versions which is consultation with local industry and labor officials. REP. BROWN: Sounds like Prison Industries Labor Board.

REP. MANNIX: It is the same board that would do consultation. Can say you don't want to directly compete in the provision of products and services which is more clear than "adversely affect."

156 CHAIR TIERNAN: Why are lines 9 and 10 interpreted to be a hinderance?

162 JOE GILLIAM, NATIONAL FEDERATION OF INDEPENDENT BUSINESS: It is not a hinderance. It protects private industry.

CHAIR TIERNAN: Gives a hypothetical example of a plastics company who sets up a manufacturing plant and hires prison labor. How would that language affect that situation?

GILLIAM: It affects it in the situation where there is another plastics company competing for the business. If the company is the only one in

the state producing that product, there is a cooperative agreement. If there are two companies competing for the same business, one company has been given the upper hand in competing.

196 CHAIR TIERNAN: Is there any business that can be set up that would not be interpreted as competing with someone else?

GILLIAM: Gives example of Prison Blues blue jeans which sell in Europe.

CHAIR TIERNAN: As long as there is nobody existing in the business. How often will that happen?

GILLIAM: To sacrifice private investment for this program is probably not a good trade.

CHAIR TIERNAN: How do you sacrifice private investment?

GILLIAM: If the plastics company is set up and a smaller company can't compete, it goes out of business and loses its investment.

219 CHAIR TIERNAN: Concerned that the definition and application is so narrow that we can't put a lot of prisoners to work.

GILLIAM: Nobody disagrees with the idea of training prisoners and putting them to work.

229 CHAIR TIERNAN: How can you give them skills in a job where nobody else in the state is doing that job? With your theory, it is impossible.

GILLIAM: It is not worth it to the person who has been knocked out of business because Prison Industries came in.

CHAIR TIERNAN: You are assuming that the operating cost will be lower than competition.

GILLIAM: That is a fair assumption if Prison Industries pays no workers compensation and no unemployment insurance. Suggests establishing a model where all common competitors have a share in the product.

261 REP. MANNIX: We have government favoritism now in the form of contracts and requests for proposals.

CHAIR TIERNAN: Suggests leaving in lines 9 and 10 on page 2 of the bill and deleting lines 11-13.

REP. MANNIX: And use displaced current employees language from the -2 amendments? If you used lines 3 - 6 on p. 1 of HB 2370-2 as to displacement of current employees as a substitute for subsection (b) of Section 2 of the bill, then you have protection of industry and protection of current employees against displacement.

286 CHAIR TIERNAN: Doesn't bother me. So you have displaced existing production, delivery or employees.

REP. MANNIX: Yes, but this would say "do not displace current employees." The emphasis is on the employees rather than the business.

290 REP. BROWN: If it's not broken, don't fix it. If they have been able to work out a balance, something must be going right. Concerned that we may raise problems if we change the law. REP. MANNIX: Understood that there had been problems with the language. If Prison Industries thinks they can operate with the language in place, would rather focus on other issues such as prevailing wage.

311 FRED NICHOLS, ADMINISTRATOR, CORRECTIONS INDUSTRIES: Even though there has been difficulty with the language, the Board of Directors has the ability to write administrative rules to clarify "adversely affect." Discusses Harry and David work project in Medford.

338 REP. MANNIX: Believes the "do not displace" language is better than the "unemployment rate" language. Could add language to reflect the area involved.

353 CAROLE SOUVENIR, COMMITTEE COUNSEL: In the -2 amendments, lines 3-6 on p. 1 were drafted to further clarify lines 9-10. Both sets of language do not further the bill.

360 REP. MANNIX: In subsection (a) as it is in current law, the industry

clause, it talks about business, not employees. The worker clause is subsection (b). If you take what -2 planned to do and put in a new (a), that (a) is better as a substitute for present (b). You will be protecting business in (a) and protecting employees in (b).

378 CHAIR TIERNAN: Suggests keeping lines 9-12, deleting line 13, and delete "or perpetuated" on line 11.

395 REP. TARNO: Clarifies Chair Tiernan's suggestion. 415 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 2 of Exhibit E, the comparison of -2 and -3 amendments.

424 REP. MANNIX: Consultation was going to be a replacement for the displacement standards.

CHAIR TIERNAN: Let's eliminate it.

431 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 3. Would have to take out lines 12 and 13 on p. 1 of the -2 amendments.

NICHOLS: Signifies that the language is acceptable.

462 REP. MANNIX: Do you still want the "notwithstanding" about labor structure lock outs?

CAROLE SOUVENIR, COMMITTEE COUNSEL: That is in both -2 and -3 amendments. It doesn't allow use of inmate labor for replacing employees who are on labor strikes or lock outs.

476 REP. TARNO: Clarifies the omitting of lines 12 and 13 on p. 1 of the -2 amendments and keeping in lines 14-17.

CHAIR TIERNAN: Eliminating last sentence in lines 17 and 18. Clarifies the purpose of inmate labor on lines 19 and 20.

REP. MANNIX: The phrase in front of "during"?

CHAIR TIERNAN: As of now, inmates can go on strike. If you decide to go on strike, the workers can still work.

TAPE 93, SIDE B

032 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 4.

038 REP. MANNIX: The -3 amendments give a simpler system.

CAROLE SOUVENIR, COMMITTEE COUNSEL: In the -3 amendments, p. 2, lines 22-24, is that subject to the federal act so they would have to follow that allocation by percentages?

REP. MANNIX: Depending on federal law, yes. Would be a specific exemption for the interstate commerce. Doesn't want to give a percentage when the federal law may change.

CHAIR TIERNAN: Do the inmates have to pay state taxes?

NICHOLS: Signifies that they do.

CHAIR TIERNAN: Are they state employees?

NICHOLS: They are paid under the state payroll system, but are not state employees. CHAIR TIERNAN: What kind of employees are they?

NICHOLS: They are not referred to as employees.

061 REP. BROWN: Their wages and method of payment is already provided by

rule. Is it more flexible by rule than statute? What do we gain by codifying it?

CAROLE SOUVENIR, COMMITTEE COUNSEL: Codifying requires the Dept. of Corrections to do it a certain way. By rule, they can change it.

REP. MANNIX: There are things the rules don't provide for that I want them to. Also wants statutory authorization to require inmate wages to be used for certain things.

076 REP. BROWN: What about how much they are paid?

REP. MANNIX: That should be left out of statute. Prefers -3 amendments because it doesn't give a percentage allocation, but lists in order of priority. Concerned about letting them use 100% for prison overhead. 50% a good figure. May want to see more support for dependents.

086 REP. BROWN: Under the -3 amendments, the Director of the Dept. of Corrections could establish reasonable pay?

REP. MANNIX: This talks to priority of distribution of the pay.

REP. BROWN: But the -2 amendments do address how it is paid.

094 CAROLE SOUVENIR, COMMITTEE COUNSEL: -2 amendments set out percentages. -3 do not.

099 CHAIR TIERNAN: Suggests using -3 amendments when discussing wages.

REP. MANNIX: Asks about limitation as to how much the Dept. of Corrections can recover for overhead.

CHAIR TIERNAN: 50%?

112 CAROLE SOUVENIR, COMMITTEE COUNSEL: The way Section 4 of -3 amendments is drafted, there are not set percentages. It is in order of priority. How much is the state reimbursed for the cost of supporting the inmate?

REP. MANNIX: It is best not to have a formula other than priority order. Assumes the Dept. of Corrections will adopt rules to implement what is paid.

138 REP. TARNO: Clarifies that Section 4 is coming out of the -3 amendments and is being inserted in Section 4 language of HB 2370.

142 REP. MANNIX: In the -3 amendments, we changed Section 3, to take out

the \$3 limitation. On line 22 delete "superintendent of" and "institution in which the inmate is confined." On p. 2 it gives calculation of compensation.

163 CHAIR TIERNAN: Why shouldn't we put a cap on how much the Dept. of Corrections can give the inmates? We are taking out the \$3 per day limitation.

REP. MANNIX: That is a cap on how much they will be paid. Over time they may want to change that.

CHAIR TIERNAN: Asking about a cap on how much they pay them.

REP. MANNIX: We are proposing to take that out.

178 REP. TARNO: What about inmates who are overqualified?

NICHOLS: The \$3 limitation does not pertain to Corrections Industries, but institutional work programs.

189 CHAIR TIERNAN: What wages do you pay in Corrections Industries?

NICHOLS: Averages 77-79 cents per hour for furniture shop and laundry. Any product sold in interstate commerce pays prevailing wage determined by the Employment Division. Explains how it is determined. Blue jean manufacturer pays \$4.75 - \$6.50 per hour with piece rate incentives.

CHAIR TIERNAN: How does that allow for short work days?

NICHOLS: We pay on a piece rate with some guarantee.

209 CHAIR TIERNAN: Sees no problem with how that is working now.

REP. MANNIX: Proposing to change the director's authority as to how much inmates are paid within the institution.

REP. TARNO: Has no problem with leaving it open.

223 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 8. We don't need language relating to local union bodies.

REP. MANNIX: Currently we will not deal with counties.

CAROLE SOUVENIR, COMMITTEE COUNSEL: You don't want allocation of wages for counties?

234 CHAIR TIERNAN: Thought Section 5 was to give the county jails the ability to do the same thing the state does.

REP. MANNIX: Even though they may have work programs, what if they want to pay wages and have distribution of those wages? Would like to have statutory standard.

241 REP. TARNO: Suggests giving local counties ability and authority to enter into a similar program.

REP. MANNIX: Do we want the wages of people in for less than 30 days used in a particular formula?

255 CHAIR TIERNAN: Section 5 gives the county flexibility to do it if they want to.

REP. TARNO: Section 5 also mandates things at the county level that they may not want to do. Gives examples.

CHAIR TIERNAN: Let's take those things out.

264 REP. BROWN: Multnomah Co. already has work projects. Gives examples. Statute may not be necessary.

REP. MANNIX: This was designed to provide products or services to the public. They can do work on their own projects. If Multnomah Co. jail wanted to set up a prison industries, they may not have statutory authority to do that.

284 CHAIR TIERNAN: Suggests deleting lines 28-31 on p. 2 and lines 1 and 2 on p. 3 of Section 5.

290 CAROLE SOUVENIR, COMMITTEE COUNSEL: Summarizes Section 9.

REP. MANNIX: The idea was if we are going to build additional prisons, we ought to have prison industry facilities there.

303 REP. TARNO: Section 6 of the -3 amendments could be very expensive.

REP. MANNIX: Let's take it out.

308 CHAIR TIERNAN: Need to specify a number of prisoners who have to be working in the facility. Need to draft language that states what the state can do in terms of work programs.

330 REP. MANNIX: The exemption from workers compensation should include a clause that the inmate injury fund would apply.

CHAIR TIERNAN: Asks Mr. Nichols about the lumber related facility by the medium security prison.

NICHOLS: Explains the operation of Manufacturing Country.

CHAIR TIERNAN: How many prisoners do they employ?

NICHOLS: Looking to employ 26-30.

CHAIR TIERNAN: How many total employees in the manufacturing concern?

NICHOLS: Doesn't know. But all workers are inmates.

372 CHAIR TIERNAN: What kind of product do they manufacture?

NICHOLS: Component materials for pallets. Most businesses make pallets. They supply the materials.

CHAIR TIERNAN: There are other competing businesses in the state.

NICHOLS: There were agreements as to what markets they would enter.

402 CHAIR TIERNAN: We are trying to establish similar operations in this

bill. Asks Mr. Nichols for other suggestions for affirmative language.

NICHOLS: There are administrative rules that the Board could do with this framework. Goal is for superior quality of existing products from Corrections Industries so that it will attract companies with money to invest.

CHAIR TIERNAN: If the incentives are there and you have a positive work history, the companies will be there.

NICHOLS: Describes incentives that are there now.

440 CHAIR TIERNAN: Should Corrections Industries or the company build the building?

NICHOLS: In reality, doesn't expect anyone to build a building. Corrections will have to do that.

450 REP. MANNIX: Can we say "shall be authorized to lease its land or facilities"?

NICHOLS: With the money coming back to Corrections Industries, we are allowed and capable of providing security officers and pay rent and utilities.

467 REP. MANNIX: Your proposal might be too limiting. Costs could be negotiable.

CHAIR TIERNAN: If we added "or otherwise negotiated" it would allow them to make their own deals.

481 REP. MANNIX: There is the question of transportation and security. Make it something that can be done. Corrections could include in the contract provision that those costs be paid by the private company.

500 CHAIR TIERNAN: Adjourns meeting at 5:20 p.m.

Submitted by:

Reviewed by:

Julie Nolta
Committee Coordinator

Anne May Committee Clerk

EXHIBIT LOG:

A - Proposed amendments to HB 2759 - 4 pages B - Proposed amendments to HB 2759 - 1 page C - Proposed amendments to HB 2370 - 2 pages D - Proposed amendments to HB 2370 - 3 pages E - Amendment issues of HB 2370 and HB 2706 - Committee Counsel - 2 pages F - Statutes relating to HB 2370 - Committee Counsel - 2 pages G - Testimony on HB 2370 - Committee Counsel - 9 pages H - Proposed amendments to HB 2706 - 1 page