

HOUSE COMMITTEE ON JUDICIARY SUBCOMMITTEE ON CRIME AND CORRECTIONS

May 10, 1993 Hearing Room 350 2:00 p.m. Tape 100

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

VISITING MEMBER: Rep. Del Parks Rep. Kevin Mannix

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

MEASURES CONSIDERED: HB 2370 - Relating to corrections

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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 100, SIDE A

HB 2370 - WORK SESSION

Witnesses: Fred Nichols, Corrections Industries

006 CHAIR TIERNAN: Calls meeting to order at 2:30 p.m.

010 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. Summarizes discussion of previous work session.

020 CHAIR TIERNAN: Reviews discussion of previous work session.

026 REP. KEVIN MANNIX, DISTRICT 32: Discusses concerns regarding mandatory nature of priority wage distribution in HB 2370-4 amendments, Section 5. (EXHIBIT A) Could delete "shall" on line 15 and insert "may." Could authorize the Director to promulgate rules and decide priorities.

058 CHAIR TIERNAN: Discusses two types of inmate workers paid different wages. Committee discussed not withholding from wages of institutional workers. Proposes that 50% of wages from prison industries wages be set aside for specific priorities.

072 REP. MANNIX: Statute will direct withholding as to a reasonable amount not to exceed 50% to cover prison industries overhead.

CHAIR TIERNAN: Asks for clarification.

REP. MANNIX: Would set no priorities except for listing what could be done under the rule and that no more than 50% could be taken from wages for overhead of prison industries.

094 CHAIR TIERNAN: Half of the wages are put into the inmate's account and the other half is prioritized for distribution. No more than 50% of the second half can be used for prison industries overhead.

REP. MANNIX: The intention is that no more than 50% of the entire wage can be allocated to prison industries. The other half can be allocated to any other category according to rule.

104 CHAIR TIERNAN: Refers to the 50% set aside for victim's reimbursement, housing, etc.

REP. MANNIX: This language does not do that.

CHAIR TIERNAN: Under your proposal, 50% of the entire wages goes to pay prison industries overhead. The Department of Corrections is allowed to do whatever they want with the second 50%. Do we have a priority for distribution and why does prison industries get 50%?

REP. MANNIX: Was written as 50% because of their high overhead.

121 CHAIR TIERNAN: Are you taking 50% of wages now for prison industries?

122 FRED NICHOLS, ADMINISTRATOR, CORRECTIONS INDUSTRIES: Not taking any money away from inmates earning less than prevailing wage.

CHAIR TIERNAN: Are you taking any money to pay for overhead?

NICHOLS: 20% for state and federal tax, 5% to victim's compensation, 5% to family support, 50% to overhead and remaining goes to inmate. Inmate can only spend \$30 per week in the canteen until \$1000 is deposited in their savings account.

135 REP. PARKS: Asks how prison industries computes overhead as half of the wages.

NICHOLS: Explains the two types of industries.

153 REP. PARKS: In a normal business you still have to pay the employees.

NICHOLS: They are paid the prevailing wage. Explains prevailing wage.

159 REP. PARKS: Half of that goes to overhead.

NICHOLS: Explains what the money goes to. Corrections industries has no means of borrowing money to generate capital and has no cash in account.

REP. PARKS: (unintelligible)

NICHOLS: Corrections industries has been run as a program and not a business for many years. Until sales levels are developed and we reach a break even point, there must be financing.

183 REP. PARKS: Wasn't Citizen Advisory Board abolished?

NICHOLS: HB 2222 has not passed the Senate yet and may be dropped.

203 REP. MANNIX: HB 2222 was to drop advisory board which is not a good idea if this bill passes. The Director sets compensation not wages for work inside prison. Currently there is a formula for how prison industries distributes wages.

242 REP. PARKS: Discusses wage distribution.

NICHOLS: Correction industries is run similar to a business. There are tremendous fixed costs while waiting for sales to catch up.

REP. PARKS: Confirms that they run a laundry. Asks if they have a 50% overhead in that.

NICHOLS: We are not taking 50% from those inmates. Discusses three types of inmates in terms of work.

REP. PARKS: Aren't the institutional workers paid from state general funds?

NICHOLS: Yes, from zero to \$3.00 per day. Explains Corrections Industries jobs where revenue is generated. Only jobs related to interstate commerce where prevailing wage is paid have deductions taken.

300 REP. PARKS: (unintelligible)

NICHOLS: State agencies are paying less.

REP. PARKS: Confirms that 50% is only deducted from prevailing wage jobs.

NICHOLS: In any institutional jobs, the Department has the ability to take back court ordered restitution or fines.

REP. PARKS: But you can deduct 50% off the top to cover costs of the program?

NICHOLS: No, we do not.

322 REP. PARKS: In this bill you could. Not to exceed 50%.

NICHOLS: We would pay the inmate less as opposed to paying more and taking back some.

330 REP. PARKS: What is the point of the bill if you can already do that?

REP. MANNIX: Discusses the original intent of the bill and effects of

amendments. Question still exists about setting statutory directive for wage distribution. Need to create incentives with equity.

353 REP. BROWN: Confirms that the \$3 per day wage cap applies to the institutional workers.

REP. MANNIX: If you want to create incentives, \$3 per day isn't much more than zero dollars per day. The ultimate idea is to have the corrections system start contracting with local government to provide services and generate income.

371 CHAIR TIERNAN: Reviews previous work session's discussion on the bill, how the money should be distributed and how much should be left to the

inmate. Department of Corrections is concerned that there will be no incentive to work if anything is taken away.

421 NICHOLS: There is also administrative cost to deduct.

REP. PARKS: Refers to a bill that the committee passed to take all their wages.

CHAIR TIERNAN: Thought the bill referred to assets.

453 DENIS DOWD, DEPARTMENT OF CORRECTIONS: The bill allowed the Director to set a minimum.

REP. MANNIX: It was directed to the inmate who had lottery income or inheritance.

REP. PARKS: Wasn't it broad enough to cover ordinary wages?

DOWD: It would establish by rule how much money an inmate could have before the statute would be effected.

481 REP. MANNIX: Senate can be asked to come up with language for assets

versus wages concepts.

TAPE 100, SIDE B

103 REP. PARKS: We are just establishing a formula that will be applied to the money that is made.

REP. MANNIX: Discusses other benefits of the bill.

011 REP. PARKS: Concerned about fairness to outside workers.

REP. MANNIX: Left in language regarding not competing in areas with high unemployment or existing businesses.

033 CHAIR TIERNAN: Adjourns meeting at 3:00 p.m.

Submitted by:

Reviewed by:

Julie Nolta
Committee Coordinator

Anne May Committee Clerk

EXHIBIT LOG:

A - Proposed amendments to HB 2370 - 6 pages