

HOUSE BILL NO. 402

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/5/18

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the commissioner of corrections to establish a correctional
2 industries program; establishing a correctional industries board; authorizing the
3 Department of Corrections to receive money from the employment of prisoners; and
4 providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 33.30.191 (e) is amended to read:

7 (e) The provisions of AS 23 do not apply to the employment of prison inmates
8 under this section.

9 * **Sec. 2.** AS 33.30 is amended by adding new sections to read:

10 **Sec. 33.30.195. Correctional industries program.** (a) In addition to entering
11 contracts or cooperative agreements under AS 33.30.191, the commissioner may
12 establish and administer a correctional industries program based on voluntary prisoner
13 participation.

14 (b) Upon approval by the Correctional Industries Board under AS 33.30.196,

1 the commissioner may administer a correctional industries program and may enter into
 2 contracts or agreements with public agencies, private organizations, or individuals for
 3 the employment of prisoners in the performance of services or the production of
 4 articles, materials, or supplies.

5 (c) A contract or agreement with an individual or private organization must
 6 require

7 (1) payment of compensation to prison inmates under
 8 AS 33.30.201(g); and

9 (2) the individual or private organization to comply with the workers'
 10 compensation provisions of AS 23.30.

11 (d) The commissioner shall determine the prices that products and services
 12 will be sold, based on the approximate fair market value of products and services of
 13 comparable quality available from commercial sources and may sell a product or
 14 service under this subsection to a public agency, private organization, or individual.

15 (e) In employing prisoners, the department shall comply with federal and state
 16 health and safety regulations.

17 (f) Prisoners employed under this section are not state employees nor do they
 18 have the rights or privileges given to state employees, including the right to participate
 19 in collective bargaining.

20 **Sec. 33.30.196. Correctional Industries Board.** (a) In addition to the powers
 21 and duties under AS 33.30.197, the Correctional Industries Board is established to
 22 provide general policy direction to the commissioner when implementing the
 23 correctional industries program under AS 33.30.195.

24 (b) The board consists of four members as follows:

25 (1) the commissioner of labor and workforce development or
 26 commissioner's designee; and

27 (2) the commissioner of corrections or commissioner's designee; and

28 (3) two representatives of organized labor whom the governor shall
 29 appoint from a list of nominees submitted by a labor organization; in this paragraph,
 30 "labor organization" means a nationally recognized labor organization, organized for
 31 the purpose, in whole or in part, of collective bargaining, dealing with employers

1 concerning grievances, terms or conditions of employment, or of other mutual aid or
2 protection of employees.

3 (c) Members of the board serve staggered three-year terms. A public member
4 appointed under (b)(3) of this section may be removed from office by the governor. If
5 a vacancy occurs, the governor shall appoint a member for the unexpired portion of
6 the term.

7 (d) The board shall elect a chair from among its members by a majority vote.
8 The chair shall serve on a yearly basis.

9 (e) The board shall meet at least quarterly at the call of the chair, at the request
10 of the majority of the members, or at a regularly scheduled time as determined by a
11 majority of the members.

12 (f) The two public members of the board serve without compensation but are
13 entitled to per diem and travel expenses authorized for boards and commissions under
14 AS 39.20.180.

15 (g) The department shall provide staff and administrative support to the board.

16 **Sec. 33.30.197. Powers and duties of the board.** (a) The board shall monitor
17 the correctional industries program; approve contracts or agreements with public
18 agencies, private organizations, or individuals under AS 33.30.195; and make
19 recommendations as to the advisability of establishing, expanding, or discontinuing
20 the contracts or agreements to enable the program to operate as nearly as possible in a
21 self-supporting manner and to provide diversified work activities for prisoners. In
22 making a recommendation, the board shall consider testimony provided under (b) of
23 this section.

24 (b) The board shall hold public hearings to provide an opportunity for persons
25 or organizations who may be affected by a proposed recommendation of the
26 correctional industries program to present written comments or oral testimony on the
27 proposed recommendation.

28 (c) The board shall keep a record of all meetings and hearings and make these
29 records available for public inspection.

30 * **Sec. 3.** AS 33.30.201(a) is amended to read:

31 (a) **Except as provided in (g) of this section, each** [EACH] prisoner who is

1 productively employed, as defined in AS 33.30.191(g)(1), (3), or (4)
 2 [AS 33.30.191(g)(1) OR (3) - (5)], may receive for that work compensation at a rate
 3 determined by the commissioner under this section [IF THE MONEY IS
 4 AVAILABLE FROM LEGISLATIVE APPROPRIATIONS]. Compensation
 5 established by the commissioner under this section may not exceed 50 percent of the
 6 minimum wage established in AS 23.10.065; however, if required to comply with a
 7 federal statute or regulation, a higher compensation may be established by the
 8 commissioner.

9 * **Sec. 4.** AS 33.30.201(c) is amended to read:

10 (c) The commissioner shall disburse compensation received under (a) **and (g)**
 11 of this section, after any deduction required by (b) **and (g)** of this section, in the
 12 following order of priority:

13 (1) for support of the prisoner's dependents, if any;

14 **(2) to pay a restitution or fine of the prisoner ordered by a**
 15 **sentencing court;**

16 **(3)** [(2)] to reimburse the state for compensation awarded under
 17 AS 18.67 resulting from the prisoner's criminal conduct;

18 **(4)** [(3)] to pay a civil judgment resulting from the prisoner's criminal
 19 conduct;

20 [(4) TO PAY A RESTITUTION OR FINE OF THE PRISONER
 21 ORDERED BY A SENTENCING COURT;]

22 (5) for the payment of fees for the prisoner's utilities services under
 23 AS 33.30.017;

24 (6) for the purchase of clothing and commissary items for the
 25 prisoner's personal use.

26 * **Sec. 5.** AS 33.30.201(d) is amended to read:

27 (d) A prisoner's compensation remaining after any deductions under (b) **and**
 28 **(g)** of this section and disbursements under (c) of this section is to be credited to the
 29 prisoner and, except as provided in (e) of this section, must be retained by the
 30 department for the primary purpose of being available to the prisoner at the time of
 31 release. The commissioner shall maintain individual prisoner accounts for those

1 earnings. The commissioner may, however, permit the prisoner to draw on a portion of
2 that money for other purposes that the commissioner considers appropriate.

3 * **Sec. 6.** AS 33.30.201 is amended by adding a new subsection to read:

4 (g) Each prisoner employed under AS 33.30.195 may receive compensation
5 for work performed at a rate determined by the commissioner. Compensation for work
6 performed under a contract or agreement with an individual or private organization
7 under AS 33.30.195 may not be less than the minimum wage required by
8 AS 23.10.065. The commissioner may deduct the cost of confinement of the prisoner
9 up to the statewide average cost of confinement before disbursements are made under
10 (c) of this section.

11 * **Sec. 7.** AS 36.30.313 is amended to read:

12 **Sec. 36.30.313. Procurements provided through employment of prison**
13 **inmates.** A procurement of products or services provided through the employment of
14 prison inmates under AS 33.30.191 and 33.30.195 may be made without competitive
15 sealed bidding or competitive sealed proposals, in accordance with regulations
16 adopted by the commissioner.

17 * **Sec. 8.** AS 37.05.146(c) is amended by adding a new paragraph to read:

18 (90) receipts of the Department of Corrections from contracts or
19 agreements under AS 33.30.195.

20 * **Sec. 9.** AS 41.21.026(f) is amended to read:

21 (f) In addition to the activities, services, and products for which the
22 department may charge or collect a fee under (a) of this section, the department may
23 sell informational, educational, or promotional merchandise. The department shall
24 price merchandise sold under this subsection in a manner that ensures a reasonable
25 monetary return to the state. To the extent practicable, the department shall sell only
26 merchandise produced or manufactured, including printing, screen printing, and
27 embroidery, in the United States that, subject to AS 36.30, is procured from either an
28 Alaska bidder or a person that employs prisoners under AS 33.30.195
29 [AS 33.30.191(b)].

30 * **Sec. 10.** AS 33.30.191(b) and 33.30.191(g)(5) are repealed.

31 * **Sec. 11.** This Act takes effect July 1, 2018.