

HB

592



# Alaska State Legislature

## House

JUNEAU ALASKA

HOUSE HESS COMMITTEE MEETING

APRIL 7, 1976

Present: Sullivan            Parr            Beirne  
          Ostrosky            Swanson       Hackney

Testifying: Sam Grenato, Dept. H&SS  
              Bob Cole, Office of Alcoholism  
              Art Peterson, Dept. of Law

### HB 602 Treatment of Intoxicated Persons

Bob Cole, explained the Dept. of Laws ammendment., then Peterson from the dept. answered questions. (ammendment copy in file 602)

Houston responded to questions from the committee about the bill and the fiscal implications of it.

Ose, move to table till we get correction on the fiscal note. motion failed

Bill held over for fiscal note.

### HB 866 - Supplemental appropriation to H&SS

Grenato, explained need for the Div. supplement.

Bob Cole, feels supplemental caused by certain federal monies which weren't available.

Held over till Sat. in hopes of a better explanation from the dept.

### HB 592 - Correctional Industries

Hackney , moves to amend, this was adopted unanimously  
page 4, line 4, after "Part", delete rest of language on line 4 and substitute  
"Any amount awarded under A.S. 18.67. as a result of the crime for which  
the prisoner was convicted."

Ose, moves to hold bill in abeyance and try to set up a group for the  
Committee substitute, unanimous.

Subcommittee, to put together C.S. - Ose, Beirne, Hackney



JUNEAU ALASKA

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## House

HOUSE HESS COMMITTEE

### Statement of Intent

It is the intent of the Committee that, even though the capital funding requirements for a seven year amortization period are required the first year, a pilot program for only one year with 15 long term inmates involved be created. A plan for the program operations should be presented to the legislature prior to February 10, 1977. The decision on whether the program shall continue and the level of subsequent funding, if any, is to be determined only after review of the program in operations during this fiscal year and the program operations plan for succeeding fiscal years.

FISCAL ANALYSIS OF  
"CORRECTION INDUSTRIES 12-75"

The cost of the "correctional industries" legislation was calculated on the following assumptions:

1. The inmate trustee program would remain as presently constituted.
2. The lower threshold of industries participation is 2.5% of the total inmate population. i.e. 15 inmates (600 x .025)
3. The upper threshold of industries participation is 10% of the total inmate population, with this threshold being achieved in the fourth year of operation. i.e. 70 inmates (700 x .10)
4. A one-time working capital requirement of \$2,000 per participant year of work station amortization should be deposited as a permanent asset to the revolving fund which would then be replaced from inmate earnings.
5. The average workstation amortization is seven years.
6. New working capital cost will inflate at 10% compounded.

The working capital funding requirements would therefore be:

1st year	15 participant x 2,000 x 1.00 x 7 years	=	210,000
2nd year	15 more x 2,000 x 1.10 x 7 years	=	231,000
3rd year	20 more x 2,000 x 1.21 x 7 years	=	338,800
4th year	20 more x 2,000 x 1.33 x 7 years	=	372,400
	<u>70 participants</u>		<u>1,152,200</u>

*Shows how this is offset for legislative intent*

*... but he also ... set by the ... 1977 appropriation and that ... long term ... to the 15th State Legislature ... to further funding.*



# Alaska State Legislature

## House

JUNEAU ALASKA

### HOUSE HESS COMMITTEE MEETING

JAN. 21, 1976

#### Present:

Parr	Osterback	Ostrosky
Sullivan	Ose	
Beirne	Hackney	

#### Testifying:

Charles Adams, D.O.C.  
Patricias Monroe H &SS

Sullivan- Legislative affairs asked committee to reword CSHB 563

#### HB 560 Day Care Facilities - Rules/Gov

Patricia Monroe, read position paper from health and social services, general discussion. Questions centered around the input needed by Community and Regional Affairs. Decided to table until more testimony could be arranged.

#### HB 562 Interstate Corrections Compact - Rules/Gov

Adams testified how the compact would work. That so far 18 states had accepted it and 5 more were in the process. Compact was developed by the council on state governments. It would enable DOC to send offenders from one jurisdiction to another.

Sullivan, Vote, do pass 7, no rec. 2

#### HB 592 Correctional Industries - Gov/Rules

Adams presented the position paper for the state. Many benefits from having trades outside of prison. Rehabilitation, productivity, help defer cost.

Committee debated the economics of project. Considering about 120 persons would be eligible and cost of care at \$29 per day. Minimum wage would not cover. Also discussed areas of industry that prisoners could be involved in without competing with other businesses.

Hackney wants amendment to ensure that prisoners <sup>make</sup> ~~receive~~ some restitution.

Sullivan wants to see fiscal note on this, also to include effect on unemployment rate in Ak.

HOUSE BILL No. 592

"An Act to provide for correctional industries"

PROBLEM

Under the new mandatory 1/3 sentencing law passed by the State Legislature during the 1974 session and the 1/3 mandatory requirement for parole eligibility, offenders will be serving more time in custody.

NEED

The need to develop a Correctional Industries Program with necessary legislative support within the State of Alaska has never been more pressing than at the present time. Programs within correctional institutions are limited and of short-term duration and rarely run for more than a year. Therefore, what does the offender do who is serving a 3 or 4 year mandatory sentence? He is usually assigned to a meaningless custodial or general labor task which never really motivates or stimulates his interests or provides any incentive for self-improvement.

THE MISSION

The Alaska Constitution states in part that "Penal Administration shall be based on the principal of reformation and the need to protect the public."

Since the offender is obviously in secure custody, half of the mandate is satisfied. By developing an Industries Work Program with long-range operational aspects and built-in incentives the State as well as the offender will benefit. This will further reinforce the reformation portion of the constitution in meeting our responsibilities to the offender and the citizens of Alaska.

GOAL

A continual development of work incentives vocational type program opportunities that will provide job skills and limited self-sufficiency within the correctional system, whereby, all offenders will be paid a going wage for which they will be required to pay their room and board plus personal living expenses; such as clothing, limited dental and medical care, commissary and family support.

OBJECTIVE

Many states have experienced difficulties with the Correctional Industries programs. I would assume that most of the difficulties originate from the exceptionally low salary structure or gratuity, as it is referred to in the Alaska system, that is paid to the offender for his services.

This project would be unique if approved because the salary structure would be on par with related salaries being paid for similar services within the State Government and local community. The scale would be graduated with built-in incentive increments depending on qualifications and particular job assignment.

For Example: An individual serving a lengthy sentence within the system would first appear before the institutional Classification Committee for custody assignment. If he meets the criteria for medium or intermediate or minimum custody status he would make application for participation in the Industry program. Since most worthwhile jobs in the community require a high school education, the salary structure and vocational training possibilities in a respected trade would be incentive for an individual to obtain his diploma prior to employment in the program. There would of course, be a number of labor positions that could be assigned to those offenders who are unable to achieve the required academic level of a high school graduate. The offender would fill out an application which would be processed through the Industry Board of Directors made up of the Program Director, Shop Manager, and selected institutional staff who would be responsible to hire, promote or terminate offender employees.

From his salary the offender would be required to pay room and board, provide for his own needs, such as clothing, minor dental and medical services, and other personal items authorized as commissary for his own personal grooming and comfort. He would also be responsible to pay support to his family in whatever amount deemed necessary which is presently a requirement under existing state law for offenders on work release.

The object of such a program would serve several worthwhile purposes such as:

1. The offender would have a genuine opportunity, even though he is within a closed prison type community to make application for employment, be selected, receive job training in a respective trade, develop good work habits, be paid a regular living wage, and taxes, supporting himself and family like people in the free world society must do.
2. The product will be purchased by the State Government at a lesser overall cost to the Alaskan taxpayers. At the present time it costs \$50.00 per day to hold one (1) offender in the Juneau Correctional Center and we are getting little if any return for our money except for a minor degree of public protection. This program could eventually reduce daily offender cost and at the same time provide the major supply requirements for a particular product for the state. It can also be assumed

that the state would recognize some saving effect from the offender whose family is on welfare, since he would then be in a position financially to assume in part or all of this responsibility himself.

The necessary legislations that would authorize the development and implementation of a working Industry program would have to be constructed in such a manner as to place a mandatory legal responsibility on the offender to pay from his earnings certain fees and services to the state, otherwise, the interest and effect of the program would be lost and the offender would be banking large amounts of money while the State Government continued to pay his cost of care.

### HISTORY

The following information was extracted from the Presidents Commission on Law Enforcement and Administration of Justice Task Force Report on Corrections that was accomplished in 1967.

Work Houses for "Sturdy Beggars" were established in Europe during the 16th century. Instilling habits of industry was also one of the major arguments during the 19th century for the establishment in America of "Houses of Refuge" for juvenile delinquents, the "Reformatory Movement" for youthful offenders, and Auburn-type penitentiaries for adult felons.

Many impediments have prevented the realization of this objective in correctional institutions. When labor is forced and unrewarded either in money or in pride of accomplishment, there is little motivation to strive for diligence or skill. These features have characterized most of the drudgery to which prisoners have been subjected. When the period in which assigned work is expected to be done is several times the period really needed to complete it, there is little motivation to work diligently. When "Work" involves only the most menial tasks or is carried out with antiquated equipment and methods, it is of little help in training offenders for later employment.

### RESTRICTIONS ON PRISON INDUSTRIES:

The amount and type of work available for prisoners has always been influenced greatly by the labor market in the free community. When labor was scarce, prisoners often were leased out for custody and employment by private employers, with the prison itself contracted to perform work for private concerns, utilizing inmate labor. Following complaints about harsh conditions and corruption under these arrangements, the prisons established factories within their confines, where they manufactured goods for sale on the public market.

Whenever unemployment has been extensive or private businesses could not sell their goods, political pressure has mounted to prevent prisons from engaging in enterprises which might otherwise be conducted by private business and free labor.

The Hawes-Cooper Act, which became effective in 1934, divested prisoner-made goods of their interstate character on their arrival at the destination point, thus facilitating state restrictions on their sale. The 1935 Ashurst-Sumners Act prohibited, and required the labeling of all prison-made products in interstate transportation of convict-made goods for any purpose, excepting commodities manufactured in Federal or District of Columbia correctional institutions for use by Federal or District Governments, and commodities manufactured in State Correctional institutions for use by the states or their political subdivisions. The three acts were consolidated in the revisions of the Criminal Code (18 U.S.C. 1761, 1762.) In addition, Executive Order 325-A, dated May 18, 1905, prohibited Federal agencies from contracting with the states for the use of state prison labor. A clause barring the purchase of prison-made goods still is routinely added to most Federal appropriations acts.

Several factors have limited access of prisons to state use market. Political pressure brought to bear by private industry and by labor organizations still remains one of the basic impediments to the development of prison industries. These pressures are effective despite a model law enacted in many states which makes it an offense punishable by fine or incarceration for a state purchasing official to procure goods from the private market without first assuring that it cannot be provided by prison industries.

The principals of traditional prison management have also discouraged growth of industries that would foster delinquency. Assigning to maintenance and service tasks, including housekeeping and food preparation, several times the number of inmates that would be required to perform these tasks in a private business, has been thought to be the best way to minimize discontent. Further, there are usually no provisions to pay these inmates anything for their work and where they are paid, the rates and conditions of payment do not suffice to evoke high productivity. Yet it has been demonstrated, notably in Federal prison industries, that inmates can be motivated to achieve the highest standards.

#### REQUIREMENTS FOR EFFECTIVE PRISON INDUSTRIES

The most basic requirement for promotion of more industrious correctional industries is recognition on the part of the public and leaders in government of the undesirability of idleness in prisons, not only from a correctional standpoint but in terms of the loss to society at large. In today's economy prison labor is no longer a substantial threat to free labor and industry, if indeed it ever really was. Correctional industries are capable of being operated in a manner that makes the work experience they provide comparable

to that required for employment in private industry. The products of these industries can gain sufficient access even to presently available markets to make them economically feasible.

These goals will not be attained easily. To achieve them will require understanding of the problems of prison industry and participation in the solution on the part of both private industry and labor. These two groups have immense amounts of expertise and experience which is seldom been available to corrections.

At the present time, the absence of long-range programs in Corrections, such as industry would provide, and the 1/3 mandatory sentence requirement passed by the 1974 Legislature which became law on May 16 of that year, could very well be the ingredients for future unrest and difficulties created by idleness and inactivity of long-term offenders.

Development, planning and the implementation of an Industry Program for Alaska Corrections between now and 1977 would certainly appear to be in the states best interest. It would be a forward step in our continuing effort to minimize unrest and inactivity for long-term offenders, while at the same time, provide the work experience and financial responsibility that the offender will be confronted with when released back into the free community.

The Legislature of the State of Alaska  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST  
 Bill No. \_\_\_\_\_  
 Title: Correctional Industries  
 Requested by: Fran Ulmer Date: 12-24-75  
 Return Date Requested: \_\_\_\_\_  
 Agency: Division of Corrections Program: Adult Confinement

II. FISCAL DETAIL  
 Budget Request Unit(s) Affected: Adult Confinement

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		210.0	231.0	338.8	372.4	
TOTAL		210.0	231.0	338.8	372.4	

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	210.0	231.0	338.8	372.4
FEDERAL FUNDS					
OTHER					

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHED ANALYSIS  
 "CORRECTIONAL INDUSTRIES 12-75"

IV. ATTACHMENTS



V. DATE: 12-24-75 PREPARED BY: Ed Mitchell

H259Y

AMENDMENT:

PAGE 4, LINE 4 AFTER "PART" DELETE REST OF  
LANGUAGE ON LINE 4 AND SUBSTITUTE: ANY AMOUNT  
AWARDED UNDER AS 18.67 AS A RESULT OF THE  
CRIME FOR WHICH THE PRISONER WAS CONVICTED.

POSITION PAPER

HB 592

"An act to provide correctional industries."

The Division of Corrections strongly supports House Bill #592.

The section of the bill that addresses prisoners wages can make or break an industries program in corrections. It is well that the section on wages states that under no circumstances may an offender make less than the minimum wage. Caution comes from proposed disbursement of the offender's wages. The Commissioner of the Department of Health and Social Services shall set up disbursement of the wages in such a manner as to provide the prisoners with an amount of money to purchase what items are allowable and available to them in the institutions and to provide funds for the prisoner's dependents. If sufficient funds are available from the prisoner's wages, pre-existing debts will be paid upon consent of the prisoner and whatever money is left over will be saved to be paid to the prisoner at the time of his release. The incentive brought about by these measures will be mutually beneficial to both the industry and the offender.

Administration of a corrections' industry that expresses definite concern for the self-gratification of the offender will undoubtedly reflect positively and proportionately on the success of the industry.

Recommended:

Charles G. Adams, Jr., Director  
Division of Corrections

Date

Approved:

*for Catherine M. Lloyd*  
Francis S. L. Williamson, Commissioner  
Department of Health and Social Services


*1-21-76*  
Date

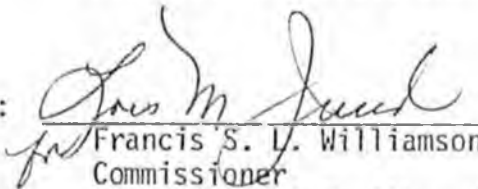
POSITION PAPER  
HB 592

"An act to provide correctional industries."

The Division of Corrections strongly supports House Bill # 592.

The Division of Corrections has taken the position that passage of this bill is essential in developing programs for long term offenders within the State of Alaska.

RECOMMENDED:  4-7-76  
Date  
William W. Huston  
Acting Director  
Division of Corrections

APPROVED :  4-7-76  
Date  
Francis S. L. Williamson  
Commissioner  
Department of Health and  
Social Services