

COMMITTEE REPORT
SENATE

4/20/82

FURTHER: None

Date: 4/30/82

Mr. President:

The Committee on FINANCE has had CSHB 194 (HESS) an
prisoner employment and correctional industries

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CS HB 194 (194) same title
 new title
- and recommends no recommendation
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

no

no

[Signature]

CHAIRMAN

no rec

Offered: 4/20/82
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 194 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to prisoner employment and correc-
7 tional industries; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 33.30.225 is repealed and reenacted to read:

11 Sec. 33.30.225. INSTITUTIONAL EMPLOYMENT. (a) It is the policy
12 of the state that prisoners be productively employed for as many hours
13 each day as feasible, not to exceed 40 hours per week unless overtime
14 has been specifically approved by the commissioner. The term "pro-
15 ductively employed" includes the following kinds of employment:

16 (1) routine maintenance and support services essential to the
17 operation of a prison facility;

18 (2) education including both academic and vocational;

19 (3) industrial, agricultural, and service activities con-
20 ducted in accordance with AS 33.30.400 - 33.30.490;

21 (4) public conservation projects including but not limited to
22 forest fire prevention and control, forest and watershed enhancement,
23 recreational area development, construction and maintenance of trails
24 and campsites, fish and game enhancement, soil conservation, and forest
25 watershed revegetation; and

26 (5) other work performed inside or outside of a prison fa-
27 cility if the work has minimal negative impact on an existing private
28 industry or labor force in the state as determined by the commissioner.

29 (b) The commissioner may enter into contracts or cooperative

1 agreements with any public agency for the performance of conservation
2 projects.

3 (c) The commissioner may direct a prisoner to participate in a
4 type of productive employment listed in (a)(1), (4), and (5) of this
5 section while the prisoner is confined in prison. A prisoner who
6 refuses to participate in productive employment when directed under this
7 section is subject to disciplinary sanctions imposed in accordance with
8 regulations adopted by the commissioner.

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16 employed, as defined in AS 33.30.225(a)(1) or (3) - (5), may receive for
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20 correctional industries program and to prisoners productively employed
21 in activities outside that program.

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26 (1) develop and operate agricultural, industrial, and service
27 enterprises employing prisoners under the jurisdiction of the commis-
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8 money from the sale of products and services to pay all or most of the
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12 program that is based on voluntary prisoner participation.

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16 equipment, and may purchase materials and enter into contracts, which
17 may be necessary for the correctional industries program;

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19 vices and producing articles, materials, and supplies needed by a state
20 agency, a political subdivision of the state, an agency of the federal
21 government, other states or their political subdivisions, or for use by
22 nonprofit organizations;

23 (3) if the commission established in AS 33.30.470 approves,
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25 needed by private industry if the services or products have potential for
26 contributing to the economy of the state and will have minimal negative
27 impact on an existing private industry or labor force in the state.

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2 except salaries and benefits of state employees, are to be financed from
3 the correctional industries fund and budgeted in accordance with the
4 Executive Budget Act (AS 37.07). The commissioner shall report annually
5 to the legislature all activities and balances of the fund.

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8 may equal or exceed the amounts received by the state for services
9 rendered or products sold by the correctional industries program.

10 (c) Unless otherwise expressly provided, money appropriated to the
11 correctional industries fund is not a one-year appropriation under
12 AS 37.25.010. Any amount that is appropriated but that is not required
13 for the purposes of the fund in that fiscal year remains available for
14 spending in succeeding fiscal years.

15 Sec. 33.30.430. MARKETING OF CORRECTIONAL INDUSTRIES PRODUCTS.

16 (a) The commissioner shall market correctional industries products to
17 appropriate entities as provided for in AS 33.30.410(b)(2). Because of
18 the potential for contributing to the economy of the state, agricultural
19 produce may be sold to commercial processors, wholesalers, or distri-
20 butors, in addition to the entities provided for in AS 33.30.410(b)(2).

21 (b) The commissioner may sell a product or service of a correc-
22 tional industries program to a private industry, subject to the approval
23 of the commission established in AS 33.30.470. Before giving its
24 approval, the commission must determine that the product or service has
25 potential for contributing to the economy of the state and will have
26 minimal negative impact on an existing private industry or labor force
27 in the state.

28 (c) A product or service provided by correctional industries that
29 meets marketable standards of quality and that meets the needs of state

1 agencies at reasonable cost, as determined by the commissioner of ad-
2 ministration, shall be purchased by state agencies through procedures
3 established by the Department of Administration in such a manner as to
4 facilitate the purchase. A product or service of the type and quality
5 of that supplied by the correctional industries may not be obtained from
6 a source outside correctional industries unless the commissioner certi-
7 fies to the Department of Administration that correctional industries is
8 not able to provide the product or service on a basis that is competitive
9 with other sources. State agencies shall make maximum use of the
10 resources of the correctional industries program both in the purchase of
11 existing products and by assisting in the development of new products or
12 adaptation of existing products to meet future needs.

13 (d) The commissioner shall periodically determine the prices at
14 which products and services will be sold. Prices must approximate the
15 fair market value of products and services of comparable quality offered
16 by commercial sources.

17 (e) The commissioner of administration shall establish suitable
18 methods of accounting and purchasing to facilitate the production and
19 marketing of correctional industries products and to assure accurate
20 cost data.

21 Sec. 33.30.440. LEGAL RIGHTS OF PRISONER WORKERS. (a) In ad-
22 ministering the correctional industries program, the department shall
23 comply with federal and state health and safety regulations, except for
24 the provision of workers' compensation under AS 23.30.

25 (b) The provisions of AS 23 do not apply to correctional indus-
26 tries nor to prisoners who work in correctional industries.

27 (c) Prisoners working in correctional industries are not state
28 employees nor do they have the rights or privileges accorded to state
29 employees, including the right to participate in collective bargaining.

1 Sec. 33.30.450. PRISONER PAYMENT; FORFEITURE. (a) The commis-
2 sioner shall establish a pay plan for prisoners working in correctional
3 industries based on the quantity and quality of work performed and the
4 skill required. A wage established under the pay plan may not exceed 50
5 percent of the minimum wage established under AS 23.10.065. Wage incen-
6 tive plans to increase productivity may be included in the pay plan.
7 The commissioner shall determine the amount to be credited to the pris-
8 oner after disbursements made under (c) of this section.

9 (b) The commissioner may establish a wage for work performed in
10 the production of a product that is higher than the maximum wage autho-
11 rized under (a) of this section to comply with federal law or regulation
12 if that compliance is required before the product may be sold to the
13 federal government.

14 (c) The commissioner shall disburse prisoners' payments in amounts
15 determined to be appropriate under procedures adopted by the commissioner
16 based on the following order of priority:

- 17 (1) for support of the prisoner's dependents, if any;
- 18 (2) to reimburse the state for compensation awarded under
19 AS 18.67 resulting from the prisoner's criminal conduct;
- 20 (3) to pay a civil judgment resulting from the prisoner's
21 criminal conduct;
- 22 (4) for the purchase of clothing and commissary items for the
23 prisoner's personal use;
- 24 (5) to pay a restitution or fine of the prisoner ordered by a
25 sentencing court.

26 (d) Money credited to a prisoner must be retained by the com-
27 missioner for the primary purpose of being available to the prisoner at
28 the time of his release. The commissioner may, however, permit the
29 prisoner to draw upon a portion of the money for other purposes that the

1 commissioner considers appropriate.

2 (e) If a prisoner escapes, a portion of his earnings, as deter-
3 mined by the commissioner, is to be forfeited. The commissioner shall
4 deposit forfeited earnings in the general fund.

5 Sec. 33.30.460. ATTACHMENT OF PRISONER PAYMENTS. Only the prisoner
6 payments retained by the commissioner under AS 33.30.450(d) are subject
7 to lien, attachment, garnishment, execution, or similar procedures to
8 encumber funds or property.

9 Sec. 33.30.470. CORRECTIONAL INDUSTRIES COMMISSION. (a) The
10 Correctional Industries Commission is established to provide general
11 policy direction to the correctional industries program through the
12 commissioner of health and social services. The commission consists of
13 seven members, five of whom are to be appointed by the governor to serve
14 staggered terms of four years. The appointed members must include a
15 representative of private industry, organized labor, agriculture, and
16 the general public, and one ex-offender. The commissioner of admini-
17 stration is also a member, as is the commissioner of health and social
18 services who is to serve as chairperson.

19 (b) The commission shall meet at least four times during each
20 fiscal year and may hold additional meetings at the call of the chair-
21 person. Four members of the commission constitute a quorum and a vote
22 of a majority of the quorum is necessary for the transaction of the
23 business of the commission.

24 (c) Members of the commission serve without compensation, but are
25 entitled to receive the per diem and travel allowance provided in AS 39.-
26 20.180 for attending meetings of the commission and making investigations
27 either as a commission or individually as members of the commission at
28 the request of the chairperson.

29 Sec. 33.30.480. POWERS AND DUTIES OF THE COMMISSION. (a) The

1 Correctional Industries Commission shall monitor the correctional
2 industries program, annually review the proposed budget of the program,
3 and make appropriate recommendations to the commissioner. This budget
4 must be transmitted in the normal budgetary process to the legislature
5 as part of the governor's budget.

6 (b) The commission shall hold public hearings to provide an op-
7 portunity for persons or organizations who may be affected by the plans
8 of the correctional industries program to appear and present testimony
9 concerning those plans. The commission shall adopt rules governing the
10 conduct of those hearings, including provisions to assure that adequate
11 public notice of the hearing is given before the hearing. The commis-
12 sion may also hold public hearings under these rules on any matter
13 within its jurisdiction. Rules adopted under this subsection are not
14 subject to the Administrative Procedure Act (AS 44.62).

15 (c) The commission shall recommend to the commissioner the ad-
16 visability of establishing, expanding, diminishing, or discontinuing
17 industrial, agricultural, or service activities to enable the program to
18 operate as nearly as possible in a self-supporting manner, to provide as
19 much employment for prisoners as is feasible, to provide diversified
20 work activities with minimal negative impact on an existing private
21 industry or labor force in the state, and contribute to the economy of
22 the state. In making recommendations, the commission shall consider
23 testimony received at public hearings.

24 Sec. 33.30.490. COOPERATION WITH STATE AGENCIES. With the ap-
25 proval of the commissioner, a state agency may, without charge, transfer
26 to the department for the correctional industries program any property
27 or equipment suitable for the purposes of that program.

28 * Sec. 5. AS 37.05.230 is amended by adding a new paragraph to read:

29 (9) the provisions of this section relative to competitive

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bids do not apply to the purchase of products or services provided by the correctional industries program established under AS 33.30.400 - 33.30.490.

* Sec. 6. AS 33.30.270, 33.30.280, and AS 36.10.060 are repealed.

* Sec. 7. AS 33.30.400 - 33.30.490 are repealed July 1, 1987.

* Sec. 8. This Act takes effect July 1, 1982.

POSITION PAPER

SENATE CS FOR CS FOR HOUSE BILL NO. 194 (JUDICIARY)

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

The Division of Adult Corrections proposes establishment of a correctional industries program as one of the measures needed to overcome idleness in the Alaskan prisons. The lack of opportunities for meaningful work is one of the most destructive aspects of confinement. The public is not served well when prisoners are released to the community after many months, sometimes years, of having been able to do little or no useful work. Pervasive idleness in prisons has contributed to the personal deterioration of inmates and the volatile instability of many prisons. The elimination of idleness within a correctional institution is one subject of great concern to facility administrators.

A primary advantage of a good industries program is that it can eventually become partially, if not fully, self-supporting. Of greater significance, it can provide prisoners with valuable training; especially in terms of basic work habits; the ability to work well with others, to follow instructions, to adhere to schedules and to have an interest in the product or service being produced. While these factors may be taken for granted by mainstream citizens accustomed to the world of work, they are foreign to many of those who tend chronically to get into trouble with the law. The point to be made here is that a good correctional industries program can be a tremendously important aspect of an effective correctional system.

Today, forty-seven states and the District of Columbia now have correctional industry enabling statutes written into law. The three states remaining without legislation are Delaware, Nevada, and Alaska. Of these three states, Delaware and Nevada are involved in correctional industries without enabling legislation. The State of Alaska is the last state to become actively involved in correctional industries activities. (Attached is a comparison study of Correctional Industry Programs operating in other state systems.)

The Division of Adult Corrections anticipates initiating a correctional industries program on a modest scale with an emphasis during the first year on market research and the development of potential industries. While we would want to establish certain correctional industries activities based on those which have proven successful in other states, our long-range interest lies in identifying approaches which will best serve the unique needs of the Alaskan prison population and will become compatible with the best interest of the people of the State. The proposed bill would establish a Correctional Industries Commission which would address the problems of idleness and lack of training in the prisons and would also have close ties to business, agriculture, organized labor and to the public as a whole. With the guidance

of such a Commission, a carefully balanced correctional industries program can be developed.

The marketing of products and services of correctional industries programs to private industry has the potential for contributing to the economy of the State and actively developing Alaska's resources. State capital invested in correctional industries can maintain a dual purpose of providing meaningful work for prison inmates with some real linkage to post release employment and also improve the position of industry in the State with the net result of increasing the gross product of the State.

Possibilities of promising industries include the establishment of an agricultural processing plant to process crops not presently cultivated but have had success in previous years. A netmaking operation for the developing bottomfish industry may be economically feasible and provide valuable training for the inmates. A data input service could be established to satisfy increasing state needs while providing inmates with marketable skills. Another possibility could be the establishment of a highway sign shop with decal-making capabilities for state markings on vehicles and property. The production of hardwood office furniture is another industry which has had much success in other state programs. A laundry operation may be considered for the State Ferry system. The Marine Highway system has considered establishing its own laundry and might therefore welcome a correctional industry as a regular supplier. Tire recycling within our facilities could produce crumb rubber for use as an asphalt mix aggregate for roadbed construction and joint crack fillers. Correctional Industries could develop an upholstering shop, a welding metal shop, the production of janitorial supplies, small engine repairs and numerous other successful ventures currently in operation within other states' correctional industry programs.

Recently, Chief Justice Warren Burger urged a revised approach to the rehabilitation of prisoners to bring crime under control. In remarks prepared for delivery at the University of Nebraska on December 16, the Chief Justice said, "The current human warehouse system should be changed to factories with fences around them, with inmates paid to produce goods."

Recommended by: Robert S. Hatrak
for Robert S. Hatrak
Director, Division of Adult
Corrections

Date: April 13, 1982

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner

Date: April 14, 1982

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS for CS HB 194 (Judiciary)

Title "An Act relating to prisoner employment and correctional industries..."

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Health & Social Services

Program Category Affected Offender Confinement, Reformation, & Supervision

BRU, Program, Or Subprogram(s) Affected Adult Confinement, Prison Industries

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		39.8	127.3	334.8	364.9	397.7
200 TRAVEL		21.8	23.8	19.7	21.5	23.4
300 CONTRACTUAL		10.9	11.9	13.0	14.1	15.5
400 COMMODITIES		100.0	150.0	163.5	178.2	194.3
500 EQUIPMENT		150.0	200.0	100.0	25.0	25.0
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		33.0	67.5	97.5	105.0	114.4
TOTAL	-0-	355.5	580.5	728.5	708.7	770.3

FUNDING (Thousands of Dollars)

		*	*	*	*	*
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

* See Analysis, Paragraph I

POSITIONS

		1	2	4	-0-	-0-
FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions:

A. Staff

- It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years on the following schedule:

Roger C. Lange

IV. DATE April 13, 1982

PREPARED BY Roger C. Lange

AGENCY Division of Adult Corrections

Original: Legislative Finance

PHONE 465-3376

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

<u>DATE</u>	<u>LOCATION</u>	<u># OF POSITIONS</u>
July, 1982	Palmer	1
July, 1983	Juneau	2
Oct., 1984	Eagle River	2
Oct., 1984	Fairbanks	2

A. The positions will all be Range 16 - Shop Supervisors; FY 1983 cost is computed as follows:

Monthly Salary \$2556

Annual Salary	\$30,672
Variable Benefits	5,101
Supplemental Benefits	1,880
Health Benefits	2,196
Total	\$39,849

B. Travel

- Board travel consists of 4 board meetings to be held at institutions with industries programs. It is assumed an average of 6 board members will attend each meeting, with 4 requiring air travel. It is assumed each meeting will be of a three day duration. \$10,560
- Public Hearings will be conducted at @ Board meeting whenever possible. However two meetings a year in addition may be needed in FY 83 and FY 84 for start up of industries. \$5,280
- Staff travel of \$6,000 is included for supervision of the program.

C. Contractual funds are included for specialized services not available from state agencies plus long distance telephone and postage costs. It is assumed that the cost for additional heat and electricity will be absorbed by the institutions conducting the industries programs.

D. Commodities funds are to purchase raw materials needed in the manufacturing of products.

E. Funds to purchase equipment will be needed in significant amounts for the first three years for the new product/service lines, as they are developed.

F. Funds requested in Grants and Claims is for the payment to inmates of wages earned. The following table represents the estimates of persons in the program, average wages, etc.

<u>FISCAL YEAR</u>	<u>FULL TIME INMATES</u>	<u>DAYS PER YEAR WORKED</u>	<u>HOURS PER DAY WORKED</u>	<u>AVE. HOURLY WAGE</u>	<u>TOTAL WAGES</u>
1983	40	250	7.5	\$.44	\$33,000
1984	75	250	7.5	.48	67,500
1985	100	250	7.5	.52	97,500
1986	100	250	7.5	.56	105,000
1987	100	250	7.5	.61	114,375

G. Capital expenditures are addressed in the Governor's Capital budget, as follows:

FY 1983	Juneau Prison Industries Building	\$1,248,500
FY 1983	Eagle River Prison Industries	1,306,200
FY 1983	Fairbanks Prison Industries	1,542,000
FY 1985	Palmer Prison Industries Remodel	200,000

The above costs are, therefore, not included in the fiscal note.

H. Inflation

It is assumed that there will be a uniform 9% inflation rate through

- I. Funding identification has not been made as the proposed legislation is not specific as to the manner program receipts are to be handled. Funding could be identified as all general funds or a combination of general funds and program receipts.

Without knowing what specific industries are to be developed or the time frame in which goods or services are available to the specified consumers, no estimate of program receipts can be made at this time. It is assumed, however, that all program receipts will either be identified as part of the funding or deposited directly into the state treasury.

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Referred: Finance

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11 correctional industries fund is not a one-year appropriation under
12 AS 37.25.010. Any amount that is appropriated but that is not required
13 for the purposes of the fund in that fiscal year remains available for
14 spending in succeeding fiscal years.

15 Sec. 33.30.430. MARKETING OF CORRECTIONAL INDUSTRIES PRODUCTS.

16 (a) The commissioner shall market correctional industries products to
17 appropriate entities as provided for in AS 33.30.410(b)(2). Because of
18 the potential for contributing to the economy of the state, agricultural
19 produce may be sold to commercial processors, wholesalers, or distri-
20 butors, in addition to the entities provided for in AS 33.30.410(b)(2).

21 (b) The commissioner may sell a product or service of a correc-
22 tional industries program to a private industry, subject to the approval
23 of the commission established in AS 33.30.470. Before giving its
24 approval, the commission must determine that the product or service has
25 potential for contributing to the economy of the state and will have
26 minimal negative impact on an existing private industry or labor force
27 in the state.

28 (c) A product or service provided by correctional industries that
29 meets marketable standards of quality and that meets the needs of state

1 agencies at reasonable cost, as determined by the commissioner of ad-
2 ministration, shall be purchased by state agencies through procedures
3 established by the Department of Administration in such a manner as to
4 facilitate the purchase. A product or service of the type and quality
5 of that supplied by the correctional industries may not be obtained from
6 a source outside correctional industries unless the commissioner certi-
7 fies to the Department of Administration that correctional industries is
8 not able to provide the product or service on a basis that is competitive
9 with other sources. State agencies shall make maximum use of the
10 resources of the correctional industries program both in the purchase of
11 existing products and by assisting in the development of new products or
12 adaptation of existing products to meet future needs.

13 (d) The commissioner shall periodically determine the prices at
14 which products and services will be sold. Prices must approximate the
15 fair market value of products and services of comparable quality offered
16 by commercial sources.

17 (e) The commissioner of administration shall establish suitable
18 methods of accounting and purchasing to facilitate the production and
19 marketing of correctional industries products and to assure accurate
20 cost data.

21 Sec. 33.30.440. LEGAL RIGHTS OF PRISONER WORKERS. (a) In ad-
22 ministering the correctional industries program, the department shall
23 comply with federal and state health and safety regulations, except for
24 the provision of workers' compensation under AS 23.30.

25 (b) The provisions of AS 23 do not apply to correctional indus-
26 tries nor to prisoners who work in correctional industries.

27 (c) Prisoners working in correctional industries are not state
28 employees nor do they have the rights or privileges accorded to state
29 employees, including the right to participate in collective bargaining.

1 Sec. 33.30.450. PRISONER PAYMENT; FORFEITURE. (a) The commis-
2 sioner shall establish a pay plan for prisoners working in correctional
3 industries based on the quantity and quality of work performed and the
4 skill required. A wage established under the pay plan may not exceed 50
5 percent of the minimum wage established under AS 23.10.065. Wage incen-
6 tive plans to increase productivity may be included in the pay plan.
7 The commissioner shall determine the amount to be credited to the pris-
8 oner after disbursements made under (c) of this section.

9 (b) The commissioner may establish a wage for work performed in
10 the production of a product that is higher than the maximum wage autho-
11 rized under (a) of this section to comply with federal law or regulation
12 if that compliance is required before the product may be sold to the
13 federal government.

14 (c) The commissioner shall disburse prisoners' payments in amounts
15 determined to be appropriate under procedures adopted by the commissioner
16 based on the following order of priority:

- 17 (1) for support of the prisoner's dependents, if any;
18 (2) to reimburse the state for compensation awarded under
19 AS 18.67 resulting from the prisoner's criminal conduct;
20 (3) to pay a civil judgment resulting from the prisoner's
21 criminal conduct;
22 (4) for the purchase of clothing and commissary items for the
23 prisoner's personal use;
24 (5) to pay a restitution or fine of the prisoner ordered by a
25 sentencing court.

26 (d) Money credited to a prisoner must be retained by the com-
27 missioner for the primary purpose of being available to the prisoner at
28 the time of his release. The commissioner may, however, permit the
29 prisoner to draw upon a portion of the money for other purposes that the

1 commissioner considers appropriate.

2 (e) If a prisoner escapes, a portion of his earnings, as deter-
3 mined by the commissioner, is to be forfeited. The commissioner shall
4 deposit forfeited earnings in the general fund.

5 Sec. 33.30.460. ATTACHMENT OF PRISONER PAYMENTS. Only the prisoner
6 payments retained by the commissioner under AS 33.30.450(d) are subject
7 to lien, attachment, garnishment, execution, or similar procedures to
8 encumber funds or property.

9 Sec. 33.30.470. CORRECTIONAL INDUSTRIES COMMISSION. (a) The
10 Correctional Industries Commission is established to provide general
11 policy direction to the correctional industries program through the
12 commissioner of health and social services. The commission consists of
13 seven members, five of whom are to be appointed by the governor to serve
14 staggered terms of four years. The appointed members must include a
15 representative of private industry, organized labor, agriculture, and
16 the general public, and one ex-offender. The commissioner of admini-
17 stration is also a member, as is the commissioner of health and social
18 services who is to serve as chairperson.

19 (b) The commission shall meet at least four times during each
20 fiscal year and may hold additional meetings at the call of the chair-
21 person. Four members of the commission constitute a quorum and a vote
22 of a majority of the quorum is necessary for the transaction of the
23 business of the commission.

24 (c) Members of the commission serve without compensation, but are
25 entitled to receive the per diem and travel allowance provided in AS 39.-
26 20.180 for attending meetings of the commission and making investigations
27 either as a commission or individually as members of the commission at
28 the request of the chairperson.

29 Sec. 33.30.480. POWERS AND DUTIES OF THE COMMISSION. (a) The

1 Correctional Industries Commission shall monitor the correctional
2 industries program, annually review the proposed budget of the program,
3 and make appropriate recommendations to the commissioner. This budget
4 must be transmitted in the normal budgetary process to the legislature
5 as part of the governor's budget.

6 (b) The commission shall hold public hearings to provide an op-
7 portunity for persons or organizations who may be affected by the plans
8 of the correctional industries program to appear and present testimony
9 concerning those plans. The commission shall adopt rules governing the
10 conduct of those hearings, including provisions to assure that adequate
11 public notice of the hearing is given before the hearing. The commis-
12 sion may also hold public hearings under these rules on any matter
13 within its jurisdiction. Rules adopted under this subsection are not
14 subject to the Administrative Procedure Act (AS 44.62).

15 (c) The commission shall recommend to the commissioner the ad-
16 visability of establishing, expanding, diminishing, or discontinuing
17 industrial, agricultural, or service activities to enable the program to
18 operate as nearly as possible in a self-supporting manner, to provide as
19 much employment for prisoners as is feasible, to provide diversified
20 work activities with minimal negative impact on an existing private
21 industry or labor force in the state, and contribute to the economy of
22 the state. In making recommendations, the commission shall consider
23 testimony received at public hearings.

24 Sec. 33.30.490. COOPERATION WITH STATE AGENCIES. With the ap-
25 proval of the commissioner, a state agency may, without charge, transfer
26 to the department for the correctional industries program any property
27 or equipment suitable for the purposes of that program.

28 * Sec. 5. AS 37.05.230 is amended by adding a new paragraph to read:

29 (9) the provisions of this section relative to competitive

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bids do not apply to the purchase of products or services provided by the correctional industries program established under AS 33.30.400 - 33.30.490.

* Sec. 6. AS 33.30.270, 33.30.280, and AS 36.10.060 are repealed.

* Sec. 7. AS 33.30.400 - 33.30.490 are repealed July 1, 1987.

* Sec. 8. This Act takes effect July 1, 1982.

POSITION PAPER

SENATE CS FOR CS FOR HOUSE BJLL NO. 194 (JUDICIARY)

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

The Division of Adult Corrections proposes establishment of a correctional industries program as one of the measures needed to overcome idleness in the Alaskan prisons. The lack of opportunities for meaningful work is one of the most destructive aspects of confinement. The public is not served well when prisoners are released to the community after many months, sometimes years, of having been able to do little or no useful work. Pervasive idleness in prisons has contributed to the personal deterioration of inmates and the volatile instability of many prisons. The elimination of idleness within a correctional institution is one subject of great concern to facility administrators.

A primary advantage of a good industries program is that it can eventually become partially, if not fully, self-supporting. Of greater significance, it can provide prisoners with valuable training; especially in terms of basic work habits; the ability to work well with others, to follow instructions, to adhere to schedules and to have an interest in the product or service being produced. While these factors may be taken for granted by mainstream citizens accustomed to the world of work, they are foreign to many of those who tend chronically to get into trouble with the law. The point to be made here is that a good correctional industries program can be a tremendously important aspect of an effective correctional system.

Today, forty-seven states and the District of Columbia now have correctional industry enabling statutes written into law. The three states remaining without legislation are Delaware, Nevada, and Alaska. Of these three states, Delaware and Nevada are involved in correctional industries without enabling legislation. The State of Alaska is the last state to become actively involved in correctional industries activities. (Attached is a comparison study of Correctional Industry Programs operating in other state systems.)

The Division of Adult Corrections anticipates initiating a correctional industries program on a modest scale with an emphasis during the first year on market research and the development of potential industries. While we would want to establish certain correctional industries activities based on those which have proven successful in other states, our long-range interest lies in identifying approaches which will best serve the unique needs of the Alaskan prison population and will become compatible with the best interest of the people of the State. The proposed bill would establish a Correctional Industries Commission which would address the problems of idleness and lack of training in the prisons and would also have close ties to business, agriculture, organized labor and to the public as a whole. With the guidance

of such a Commission, a carefully balanced correctional industries program can be developed.

The marketing of products and services of correctional industries programs to private industry has the potential for contributing to the economy of the State and actively developing Alaska's resources. State capital invested in correctional industries can maintain a dual purpose of providing meaningful work for prison inmates with some real linkage to post release employment and also improve the position of industry in the State with the net result of increasing the gross product of the State.

Possibilities of promising industries include the establishment of an agricultural processing plant to process crops not presently cultivated but have had success in previous years. A netmaking operation for the developing bottomfish industry may be economically feasible and provide valuable training for the inmates. A data input service could be established to satisfy increasing state needs while providing inmates with marketable skills. Another possibility could be the establishment of a highway sign shop with decal-making capabilities for state markings on vehicles and property. The production of hardwood office furniture is another industry which has had much success in other state programs. A laundry operation may be considered for the State Ferry system. The Marine Highway system has considered establishing its own laundry and might therefore welcome a correctional industry as a regular supplier. Tire recycling within our facilities could produce crumb rubber for use as an asphalt mix aggregate for roadbed construction and joint crack fillers. Correctional Industries could develop an upholstering shop, a welding metal shop, the production of janitorial supplies, small engine repairs and numerous other successful ventures currently in operation within other states' correctional industry programs.

Recently, Chief Justice Warren Burger urged a revised approach to the rehabilitation of prisoners to bring crime under control. In remarks prepared for delivery at the University of Nebraska on December 16, the Chief Justice said, "The current human warehouse system should be changed to factories with fences around them, with inmates paid to produce goods."

Recommended by: Robert S. Hatrak
for Robert S. Hatrak
Director, Division of Adult
Corrections

Date: April 13, 1982

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner

Date: April 14, 1982

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS for CS HB 194 (Judiciary)

Title "An Act relating to prisoner employment and correctional industries..."

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Health & Social Services

Program Category Affected Offender Confinement, Reformation, & Supervision

BRU, Program, Or Subprogram(s) Affected Adult Confinement, Prison Industries

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		39.8	127.3	334.8	364.9	397.7
200 TRAVEL		21.8	23.8	19.7	21.5	23.4
300 CONTRACTUAL		10.9	11.9	13.0	14.1	15.5
400 COMMODITIES		100.0	150.0	163.5	178.2	194.3
500 EQUIPMENT		150.0	200.0	100.0	25.0	25.0
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		33.0	67.5	97.5	105.0	114.4
TOTAL	-0-	355.5	580.5	728.5	708.7	770.3

FUNDING (Thousands of Dollars)

GENERAL FUND		*	*	*	*	*
FEDERAL FUNDS						
OTHER (Specify Source)						

* See Analysis, Paragraph I

POSITIONS

		1	2	4	-0-	-0-
FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions:

a. Staff

1. It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years on the following schedule:

Roger C. Lange

IV. DATE April 13, 1982

PREPARED BY Roger C. Lange

AGENCY Division of Adult Corrections

Original: Legislative Finance

PHONE 465-3376

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

<u>DATE</u>	<u>LOCATION</u>	<u># OF POSITIONS</u>
July, 1982	Palmer	1
July, 1983	Juneau	2
Oct., 1984	Eagle River	2
Oct., 1984	Fairbanks	2

A. The positions will all be Range 16 - Shop Supervisors; FY 1983 cost is computed as follows:

Monthly Salary \$2556

Annual Salary	\$30,672
Variable Benefits	5,101
Supplemental Benefits	1,880
Health Benefits	2,196
<u>Total</u>	<u>\$39,849</u>

B. Travel

- Board travel consists of 4 board meetings to be held at institutions with industries programs. It is assumed an average of 6 board members will attend each meeting, with 4 requiring air travel. It is assumed each meeting will be of a three day duration. \$10,560
- Public Hearings will be conducted at @ Board meeting whenever possible. However two meetings a year in addition may be needed in FY 83 and FY 84 for start up of industries. \$5,280
- Staff travel of \$6,000 is included for supervision of the program.

C. Contractual funds are included for specialized services not available from state agencies plus long distance telephone and postage costs. It is assumed that the cost for additional heat and electricity will be absorbed by the institutions conducting the industries programs.

D. Commodities funds are to purchase raw materials needed in the manufacturing of products.

E. Funds to purchase equipment will be needed in significant amounts for the first three years for the new product/service lines, as they are developed.

F. Funds requested in Grants and Claims is for the payment to inmates of wages earned. The following table represents the estimates of persons in the program, average wages, etc.

<u>FISCAL YEAR</u>	<u>FULL TIME INMATES</u>	<u>DAYS PER YEAR WORKED</u>	<u>HOURS PER DAY WORKED</u>	<u>AVE. HOURLY WAGE</u>	<u>TOTAL WAGES</u>
1983	40	250	7.5	\$.44	\$33,000
1984	75	250	7.5	.48	67,500
1985	100	250	7.5	.52	97,500
1986	100	250	7.5	.56	105,000
1987	100	250	7.5	.61	114,375

G. Capital expenditures are addressed in the Governor's Capital budget, as follows:

FY 1983	Juneau Prison Industries Building	\$1,248,500
FY 1983	Eagle River Prison Industries	1,306,200
FY 1983	Fairbanks Prison Industries	1,542,000
FY 1985	Palmer Prison Industries Remodel	200,000

The above costs are, therefore, not included in the fiscal note.

H. Inflation

It is assumed that there will be a uniform 9% inflation rate through

- I. Funding identification has not been made as the proposed legislation is not specific as to the manner program receipts are to be handled. Funding could be identified as all general funds or a combination of general funds and program receipts.

Without knowing what specific industries are to be developed or the time frame in which goods or services are available to the specified consumers, no estimate of program receipts can be made at this time. It is assumed, however, that all program receipts will either be identified as part of the funding or deposited directly into the state treasury.

POSITION PAPER

CS FOR HOUSE BILL NO. 194 (HESS)

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

The Division of Adult Corrections proposes establishment of a correctional industries program as one of the measures needed to overcome idleness in the Alaskan prisons. The lack of opportunities for meaningful work is one of the most destructive aspects of confinement. The public is not served well when prisoners are released to the community after many months, sometimes years, of having been able to do little or no useful work. Pervasive idleness in prisons has contributed to the personal deterioration of inmates and the volatile instability of many prisons. The elimination of idleness within a correctional institution is one subject of great concern to facility administrators.

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The Division of Corrections endorses CS for House Bill 194 (HESS) but requests one technical amendment that would align the proposed legislation more distinctly with existing administrative procedures. The suggestion is to amend page 3, lines 1,2,3 and 4 as follows:

- 1.) Subject to the Fiscal Procedures Act (AS 37.05), use, purchase, lease, equip, and maintain buildings, machinery, and other equipment, and may purchase materials and enter into contracts, which may be necessary for the correctional industries program;

POSITION PAPER/Department of Health & Social Services

Recommended by:

Walter B Jones
Walter B. Jones
Acting Director, Division of
Corrections

Date:

2/26/82

Approved by:

Helen D. Beirne
Helen D. Beirne
Commissioner

Date:

2.26.82

CORRECTIONAL INDUSTRY PROGRAMS

COMPARISON BY STATES

- I. INTRODUCTION
- II. CORRECTIONAL INDUSTRY PROGRAMS/STANDARD INDUSTRIAL CLASSIFICATIONS (SIC)
- III. CHART - COMPARISON BY STATES
- IV. CORRECTIONAL INDUSTRY PROGRAMS BY STATES



John R. Wald Company
INCORPORATED

HUNTINGDON, PENNSYLVANIA 16652

814 643-3908

- INTRODUCTION -

In an effort to more completely list the variety of Correctional Industry Programs operating in corrections today and relate these to comparable industries prevalent in the private sector, we have prepared the attached Comparison by States using the Standard Industrial Classification (SIC) system, as outlined by the U. S. Department of Commerce.

Under the Standard Industrial Classification (SIC) system, an industry is generally defined as a group of establishments producing a single product or a, more or less, closely related group of products. The product groupings from which industry classifications are derived are based on such considerations as whether they are typically produced by the same establishment, similarity of manufacturing processes, types of materials used, types of customers, and the like. The system operates in such a way that the definitions become progressively narrower with successive additions of specific classifications. There are 20 very broad 2-digit groups. The products of the manufacturing industries have been assigned codes based on the industry from which they originate. An establishment is classified in a particular industry if its production of the primary products of that industry exceeds its production of products of any other single industry. In a few instances, however, the industry classification of an establishment is determined not only by the products it makes, but also by the processes employed in making those products.

In earlier censuses, a number of small establishments may have been misclassified as to industry. The industry classifications for these establishments were assigned on the basis of brief descriptions of the general activity of the establishment. Where the description is incomplete or there are relatively fine lines of demarcation between industries or between manufacturing and nonmanufacturing activity, the code assigned to an establishment could differ from that which would have been assigned on the basis of more complete product information.

While some establishments produce only the primary products of the industry in which they are classified, it rarely happens that all the establishments in an industry specialize to this extent.

CORRECTIONAL INDUSTRY PROGRAMS/STANDARD INDUSTRIALCLASSIFICATIONS (SIC)

In our effort to relate Correctional Industry Programs to Standard Industrial Classifications we prepared the attached outline, listing every known Correctional Industry Program under each of the Code 20 thru Code 40 Standard Industry Classification (SIC). Industrial Code efforts were made to (identify), first, the so-called traditional correctional industries and, secondly, the variety of new ventures and/or satellite type programs with the Standard Industrial Classifications.

CORRECTIONAL INDUSTRY PROGRAMS

STANDARD INDUSTRIAL CLASSIFICATION (SIC) INDUSTRIAL CODE

20 FOOD & KINDRED PRODUCTS

Abattoir/Meat Processing
Cannery
Coffee & Tea
Dairy Products
Farming
Feed/Flour/Grain
Orchard

24 LUMBER AND WOOD PRODUCTS

Carpentry
Containers
Forest Mgmt./Timber
Furniture
Park Equipment
Pressure Creosote Treatment
Saw Mill & Lumber Products
Snow Fence Mfg.
Misc. Wood Products

27 PRINTING AND PUBLISHING

Bookbinding/Repair
Decals
Engraving (Name Plates,
Plaques)
Printing
Rubber Stamps
Silkscreening
Validation Stickers

21 TOBACCO PRODUCTS

22 TEXTILE MILL PRODUCTS

Cordage/Twine/Rope
Knitting
Spin/Weave

25 FURNITURE & FIXTURES

Furniture
Wood (new)
Metal (new)
Repair/Refinishing
Upholstering
Mattress/Pillow
Office Partitions
Venetian Blinds

28 CHEMICALS AND ALLIED PRODUCTS

Janitorial Products
Paint
Soap Products

23 APPAREL, OTHER TEXTILE PRODUCTS

Canvas Specialty Products
Drapery
Flags
Garment
Glove
Hosiery (see Knitting)
Linens
Rugs
Tailor

29 PETROLEUM & COAL PRODUCTS

Oil Recycling

26 PAPER AND ALLIED PRODUCTS

Bags
Boxes (cardboard)

30 RUBBER & PLASTICS PRODUCTS

Plastic Bags
Plastic Products
Tire Recapping

- CORRECTIONAL INDUSTRY PROGRAMS -
(SIC)

31 LEATHER & LEATHER PRODUCTS

Belts
Leather Bags
Shoes (New & Repair)

32 STONE, CLAY, AND GLASS PRODUCTS

Masonry Products
Concrete
Brick

33 PRIMARY METAL INDUSTRIES

Foundry

34 FABRICATED METAL PRODUCTS

Auto Tags
Machine Shop
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Misc. Metal Products

35 MACHINERY EXCEPT ELECTRICAL

Business & Office Machine Repair
Farm Machinery

36 ELECTRICAL EQUIPMENT & SUPPLIES

Electronics
Maintenance (Electric)

37 TRANSPORTATION EQUIPMENT

Auto Repair
Bus Repair
Truck Repair

38 INSTRUMENTS RELATED PRODUCTS

Dental (Prosthetics/Lab)
Optical Lab

39 MISCELLANEOUS MANUFACTURING INDS.

Brooms/Brushes/Mops
Educational Toys

40 SERVICE INDUSTRIES (MISCELLANEOUS)

Freight Service
Laundry/Dry Cleaning
Nursery
Records Conversion
Outside Labor Services

III

CHART

CORRECTIONAL INDUSTRY PROGRAMS

COMPARISON BY STATES

The attached chart was prepared indicating those Industrial Programs (indicated by dots "•") active in each state.

As with any survey it is difficult to assure 100% validity to the programs by state. The results of our research and survey, as indicated on the chart, were arrived at by consensus thru the following sources of information:

1. John R. Wald Company chart titled "State Use Correctional Industries Comparison by States" dated 1-1-74.
2. Correctional Industries Association's 1978-79 Directory.
3. Industry Survey by State of Michigan conducted March 1977.
4. John R. Wald Company publication "Correctional Industries - State Use Sales" 11-1-77.
5. State Correctional Industry Catalogues.
6. Spot calls to Industry Directors, picked at random.
7. Spot reviews in-person with Correctional Industry personnel.

CORRECTIONAL INDUSTRY PROGRAMS

COMPARISON BY STATES

ALABAMA

Cannery
Knitting
Garment
Saw Mill & Lumber Products
Printing
Validation Stickers
Auto Tags
Records Conversion

ARKANSAS

Garment
Mattress/Pillow
Printing
Plastic Products
Records Conversion

CALIFORNIA (Cont'd)

Educational Toys
Laundry/Dry Cleaning

COLORADO

Abattoir/Meat Processing
Cannery
Dairy Products
Farming
Flags
Garment
Linens
Tailor
Furniture
Park Equipment
Saw Mill & Lumber Products
Wood (New)
Upholstering
Office Partition
Printing
Validation Stickers
Auto Tags
Metal Working
Sheet Metal
Signs (Metal)
Electronics
Auto Repair
Freight Service
Nursery

CALIFORNIA

Dairy Products
Farming
Orchard
Knitting
Flags
Garment
Glove
Linens
Furniture
Misc. Wood Products
Wood (New)
Metal (New)
Mattress/Pillow
Bookbinding/Repair
Printing
Validation Stickers
Janitorial Products
Shoes (New & Repair)
Auto Tags
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Misc. Metal Products
Optical Lab

ALASKA

NO INDUSTRIES

ARIZONA

Abattoir/Meat Processing
Dairy Products
Farming
Carpentry
Furniture
Wood (New)
Mattress/Pillow
Decals
Engraving (Name Plates, Plaques)
Printing
Validation Stickers
Auto Tags
Metal Working
Signs (Metal)
Dental (Prosthetics/Lab)
Freight Service
Records Conversion

CONNECTICUT

Dairy Products
 Farming
 Garment
 Furniture
 Park Equipment
 Misc. Wood Products
 Wood (New)
 Repair/Refinishing
 Upholstering
 Mattress/Pillow
 Office Partition
 Engraving (Name Plates; Plaques)
 Printing
 Rubber Stamps
 Validation Stickers
 Tire Recapping
 Auto Tags
 Machine Shop
 Signs (Metal)
 Business & Office Machine Repair
 Auto Repair
 Dental (Prosthetics/Lab)
 Optical Lab
 Laundry/Dry Cleaning
 Records Conversion

DELAWARE

Repair/Refinishing

DISTRICT OF COLUMBIA

Garment
 Metal (New)
 Repair/Refinishing
 Upholstering
 Printing
 Silkscreening

DISTRICT OF COLUMBIA (Cont'd)

Validation Stickers
 Auto Tags
 Machine Shop
 Metal Working
 Tubular
 Signs (Metal)
 Laundry/Dry Cleaning

FLORIDA

Abattoir/Meat Processing
 Cannery
 Dairy Products
 Farming
 Garment
 Glove
 Hosiery
 Linens
 Forest Mgmt./Timber
 Furniture
 Park Equipment
 Pressure Creosote Treatment
 Saw Mill & Lumber Products
 Misc. Wood Products
 Wood (New)
 Metal (New)
 Repair/Refinishing
 Mattress/Pillow
 Boxes (Cardboard)
 Bookbinding/Repair
 Decals
 Printing
 Validation Stickers
 Janitorial Products
 Soap Products
 Tire Recapping
 Shoes (New & Repair)
 Concrete
 Brick

FLORIDA (Cont'd)

Auto Tags
 Metal Working
 Sheet Metal
 Misc. Metal Products
 Auto Repair
 Truck Repair
 Dental (Prosthetics/Lab)
 Optical Lab
 Nursery
 Records Conversion
 Outside Labor Services

GEORGIA

Garment
 Furniture
 Misc. Wood Products
 Wood (New)
 Metal (New)
 Repair/Refinishing
 Upholstering
 Mattress/Pillow
 Printing
 Silkscreening
 Validation Stickers
 Janitorial Products
 Concrete
 Auto Tags
 Metal Working
 Sheet Metal
 Signs (Metal)
 Misc. Metal Products

HAWAII

Printing

IDAHO

Carpentry
 Furniture
 Wood (New)
 Metal (New)
 Repair/Refinishing
 Upholstering
 Auto Tags
 Metal Working
 Sheet Metal
 Tubular
 Signs (Metal)
 Misc. Metal Products
 Auto Repair
 Records Conversion

ILLINOIS

Abattoir/Meat Processing
 Dairy Products
 Farming
 Tobacco Products
 Knitting
 Drapery
 Garment
 Linens
 Furniture
 Saw Mill & Lumber Products
 Wood (New)
 Metal (New)
 Repair/Refinishing
 Upholstering
 Mattress/Pillow
 Janitorial Products
 Soap Products
 Metal Working
 Sheet Metal
 Tubular
 Signs (Metal)
 Misc. Metal Products
 Dental (Prosthetics/Lab)
 Brooms/Brushes/Mops

INDIANA

Flags
 Garment
 Tailor
 Furniture
 Misc. Wood Products
 Wood (New)
 Metal (New)
 Mattress/Pillow
 Engraving (Name Plates, Plaques)
 Printing
 Validation Stickers
 Janitorial Products
 Soap Products
 Auto Tags
 Machine Shop
 Metal Working
 Sheet Metal
 Tubular
 Signs (Metal)
 Misc. Metal Products
 Brooms/Brushes/Mops

IOWA

Garment
 Furniture
 Wood (New)
 Metal (New)
 Repair/Refinishing
 Upholstering
 Mattress/Pillow
 Office Partitions
 Printing
 Validation Stickers
 Janitorial Products
 Soap Products
 Tire Recapping
 Auto Tags
 Metal Working
 Sheet Metal
 Tubular

IOWA (Cont'd)

Signs (Metal)
 Auto Repair
 Laundry/Dry Cleaning
 Records Conversion
 Outside Labor Service

KANSAS

Garment
 Furniture
 Wood (New)
 Metal (New)
 Repair/Refinishing
 Upholstering
 Mattress/Pillow
 Silkscreening
 Janitorial Products
 Paint
 Soap Products
 Metal Working
 Tubular
 Signs (Metal)

KENTUCKY

Garment
 Linens
 Furniture
 Wood (New)
 Metal (New)
 Validation Stickers
 Janitorial Products
 Soap Products
 Tire Recapping
 Auto Tags
 Metal Working
 Sheet Metal
 Tubular
 Signs (Metal)

LOUISIANA

Abattoir/Meat Processing
Cannery
Garment
Linens
Mattress/Pillow
Decals
Janitorial Products
Soap Products
Auto Tags
Signs (Metal)
Dental (Prosthetics/Lab)
Brooms/Brushes/Mops

MAINE

Furniture
Wood (New)
Repair/Refinishing
Upholstering
Printing
Concrete
Auto Tags
Signs (Metal)

MARYLAND

Cannery
Garment
Furniture
Wood (New)
Metal (New)
Mattress/Pillow
Boxes (Cardboard)
Printing
Paint
Auto Tags
Metal Working
Sheet Metal

MARYLAND (Cont'd)

Tubular
Signs (Metal)
Misc. Metal Products
Brooms/Brushes/Mops

MASSACHUSETTS

Canvas Specialty Products
Flags
Garments
Furniture
Wood (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Boxes (Cardboard)
Silkscreening
Shoes (New & Repair)
Foundry
Auto Tags
Metal Working
Signs (Metal)
Misc. Metal Products
Auto Repair
Brooms/Brushes/Mops

MICHIGAN

Spin/Weave
Canvas Specialty Products
Flags
Garments
Hosiery
Linens
Furniture
Misc. Wood Products
Wood (New)
Metal (New)

MICHIGAN (Cont'd)

Repair/Refinishing
Upholstering
Mattress/Pillow
Office Partition
Boxes (Cardboard)
Decals
Engraving (Name Plates, Plaques)
Printing
Silkscreening
Validation Stickers
Belts
Shoes (New & Repair)
Auto Tags
Machine Shop
Metal Working
Sheet Metal
Tubular
Signs (Metal & Wood)
Maintenance (Electric)
Brooms/Brushes/Mops
Laundry/Dry Cleaning

MINNESOTA

Cordage/Twine/Rope
Furniture
Misc. Wood Products
Wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Printing
Validation Stickers
Plastic Products
Foundry
Auto Tags
Machine Shop
Metal Working

MINNESOTA (Cont'd)

Sheet Metal
Tubular
Farm Machinery
Bus Repair
Records Conversion
Outside Labor Services

MISSISSIPPI

Bookbinding/Repair
Janitorial Products

MISSOURI

Garment
Glove
Furniture
Park Equipment
Wood (New)
Metal (New)
Upholstering
Boxes (Cardboard)
Bookbinding/Repair
Printing
Validation Stickers
Janitorial Products
Soap Products
Shoes (New & Repair)
Auto Tags
Metal Working
Sheet Metal
Signs (Metal)
Freight Service
Laundry/Dry Cleaning
Records Conversion

MONTANA

Abattoir/Meat Processing
Dairy Products
Farming
Mattress/Pillow
Printing
Auto Tags
Signs (Metal)

NEBRASKA

Flags
Garment
Furniture
Park Equipment
Wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Engraving (Name plates, Plaques)
Printing
Validation Stickers
Janitorial Products
Soap Products
Auto Tags
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Misc. Metal Products

NEVADA

Bookbinding/Repair
Auto Tags

NEW HAMPSHIRE

Dairy Products
Farming
Furniture
Wood (New)
Repair/Refinishing
Printing
Auto Tags
Auto Repair

NEW JERSEY

Knitting
Garment
Metal (New)
Mattress/Pillow
Printing
Validation Sticker
Janitorial Products
Soap Products
Auto Tags
Machine Shop
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Brooms/Brushes/Mops

NEW MEXICO

Furniture
 Misc. Wood Products
 Wood (New)
 Repair/Refinishing
 Upholstering
 Mattress/Pillow
 Decals
 Engraving (Name Plates, Plaques)
 Printing
 Silkscreening
 Validation Stickers
 Auto Tags
 Signs (Metal)
 Auto Repair

NEW YORK

Canvas Specialty Products
 Flags
 Garment
 Linens
 Tailor
 Furniture
 Saw Mill & Lumber Products
 Snow Fence Mfg.
 Misc. Wood Products
 Wood (New)
 Metal (New)
 Upholstering
 Mattress/Pillow
 Boxes (Cardboard)
 Engraving (Name Plates, Plaques)
 Printing
 Silkscreening
 Janitorial Products
 Soap Products
 Plastic Bags
 Foundry

NEW YORK (Cont'd)

Auto Tags
 Machine Shop
 Metal Working
 Sheet Metal
 Tubular
 Signs (Metal)
 Misc. Metal Products
 Electronics
 Auto Repair
 Bus Repair
 Truck Repair
 Optical Lab
 Brooms/Brushes/Mops

NORTH CAROLINA

Meat Processing
 Cannery
 Farming
 Garment
 Tailor
 Forest Mgmt./Timber
 Furniture
 Wood (New)
 Repair/Refinishing
 Upholstering
 Mattress/Pillow
 Printing
 Janitorial Products
 Paint
 Soap Products
 Oil Recycling
 Auto Tags
 Metal Working
 Sheet Metal
 Signs (Metal)
 Misc. Metal Products
 Laundry
 Outside Labor Services

NORTH DAKOTA

Furniture
 Wood (New)
 Repair/Refinishing
 Upholstering
 Janitorial Products
 Metal Working
 Tubular
 Signs (Metal)

OHIO

Tobacco Products
 Garment
 Linens
 Furniture
 Wood (New)
 Metal (New)
 Mattress/Pillow
 Printing
 Validation Stickers
 Janitorial Products
 Soap Products
 Shoes (New & Repair)
 Auto Tags
 Machine Shop
 Metal Working
 Sheet Metal
 Tubular
 Signs (Metal)
 Bus Repair
 Truck Repair
 Dental (Prosthetics/Lab)
 Brooms/Brushes/Mops
 Records Conversion

OKLAHOMA

Abattoir/Meat Processing
Cannery
Garment
Mattress/Pillow
Boxes (Cardboard)
Printing
Auto Tags
Signs (Metal)
Records Conversion

OREGON

Furniture
Wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Shoes (New & Repair)
Metal Working
Sheet Metal
Tubular
Auto Repair
Laundry/Dry Cleaning

PENNSYLVANIA

Abattoir/Meat Processing
Cannery
Coffee & Tea
Dairy Products
Farming
Knitting
Spin/Weave
Drapery
Garment
Linens
Furniture
Saw Mill & Lumber Products

PENNSYLVANIA (Cont'd)

Wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Boxes (Cardboard)
Printing
Validation Stickers
Janitorial Products
Soap Products
Shoes (New & Repair)
Auto Tags
Metal Working
Sheet Metal
Tubular
Auto Repair
Dental (Prosthetics/Lab)
Educational Toys
Freight Service
Nursery
Records Conversion

RHODE ISLAND

Flags
Printing
Auto Tags
Signs (Metal)

SOUTH CAROLINA

Abattoir/Meat Processing
Dairy Products
Farming
Garment
Furniture
Wood (New)
Metal (New)

SOUTH CAROLINA (Cont'd)

Repair/Refinishing
Upholstering
Mattress/Pillow
Venetian Blinds
Bookbinding/Repair
Decals
Silkscreening
Auto Tags
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Misc. Metal Products
Laundry/Dry Cleaning
Janitorial Products

SOUTH DAKOTA

Farming
Furniture
Wood (New)
Repair/Refinishing
Upholstering
Bookbinding/Repair
Printing
Auto Tags
Signs (Metal)

TENNESSEE

Garment
Linens
Furniture
Misc. Wood Products
Wood (New)
Upholstering
Printing
Janitorial Products
Paint

TENNESSEE (Cont'd)

Soap Products
Metal Working
Sheet Metal
Tubular
Signs (Metal)

TEXAS

Abattoir/Meat Processing
Coffee
Spin/Weave
Canvas Specialty Products
Drapery
Flags
Garment
Linens
Furniture
Saw Mill & Lumber Products
Misc. Wood Products
Wood (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Boxes (Cardboard)
Engraving (Name Plates, Plaques)
Validation Stickers
Janitorial Products
Soap Products
Plastic Products
Tire Recapping
Belts
Shoes (New & Repair)
Auto Tags
Sheet Metal
Signs (Metal)
Misc. Metal Products
Bus Repair
Truck Repair

TEXAS (Cont'd)

Dental (Prosthetics/Lab)
Brooms/Brushes/Mops
Educational Toys
Freight Service
Records Conversion

UTAH

Abattoir/Meat Processing
Dairy Products
Metal (New)
Printing
Auto Tags
Machine Shop
Metal Working
Sheet Metal
Tubular
Signs (Metal)

VERMONT

Coffee & Tea
Farming
Saw Mill & Lumber Products
Misc. Wood Products
Printing
Validation Stickers
Auto Tags
Signs (Metal)

VIRGINIA

Garment
Linens
Furniture
Misc. Wood Products
Wood (New)
Metal (New)
Upholstering
Office Partitions
Boxes (Cardboard)
Bookbinding/Repair
Engraving (Name Plates, Plaques)
Printing
Tire Recapping
Shoes (New & Repair)
Concrete
Auto Tags
Machine Shop
Metal Working
Sheet Metal
Signs (Metal)
Dental (Prosthetics/Lab)
Laundry/Dry Cleaning
Records Conversion

WASHINGTON

Dairy Products
Farming
Metal (New)
Upholstering
Printing
Validation Stickers
Auto Tags
Metal Working
Sheet Metal
Signs (Metal)
Business & Office Machine
Repair
Auto Repair
Records Conversion

WEST VIRGINIA

Garment
Linens
Printing
Auto Tags
Signs (Metal)

WISCONSIN

Farming
Furniture
Wood (New)
Metal (New)
Upholstering
Decals
Engraving (Name Plates, Plaques)
Printing
Silkscreening
Validation Stickers
Auto Tags
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Business & Office Machine Repair
Records Conversion

WYOMING

Garment
Upholstering
Mattress/Pillow
Printing
Shoes (New & Repair)
Auto Tags
Signs (Metal)

FEDERAL

Spin/Weave
Canvas Specialty Products
Drapery
Garment
Glove
Linens
Rugs
Furniture
Misc. Wood Products
Wood (New)
Metal (New)
Repair/Refinishing
Upholstering
Mattress/Pillow
Printing
Plastic Products
Tire Recapping
Shoes (New & Repair)
Machine Shop
Metal Working
Sheet Metal
Tubular
Signs (Metal)
Misc. Metal Products
Electronics
Auto Repair
Brooms/Brushes/Mops
Records Conversion

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 194 (HESS)

Title An Act Relating to prisoner employment and correctional industries

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Health & Social Services

Program Category Affected Offender Confinement, Reformation & Supervision

BRU-Program, Or Subprogram(s) Affected Adult Confinement, Prison Industries

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		39.8	127.3	334.8	364.9	397.7
200 TRAVEL		21.8	23.8	19.7	21.5	23.4
300 CONTRACTUAL		10.9	11.9	13.0	14.1	15.5
400 COMMODITIES		100.0	150.0	163.5	178.2	194.3
500 EQUIPMENT		150.0	200.0	100.0	25.0	25.0
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		33.0	67.5	97.5	105.0	114.4
TOTAL	-0-	355.5	580.5	728.5	708.7	770.3

FUNDING (Thousands of Dollars)

GENERAL FUND		*	*	*	*	*
FEDERAL FUNDS						
OTHER (Specify Source)						

* See Analysis, Paragraph I

POSITIONS

		1	2	4	-0-	-0-
FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions:

A. Staff

- It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years, on the following schedule:

Roger C. Lange

IV. DATE February 4, 1982

PREPARED BY Roger C. Lange

AGENCY Division of Adult Corrections

Original: Legislative Finance
cc: Budget and Management

PHONE 465-3376

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Jeanne C. Clark, Acting Director
Division of Management & Budget

<u>DATE</u>	<u>LOCATION</u>	<u># OF POSITIONS</u>
July, 1982	Palmer	1
July, 1983	Juneau	2
Oct., 1984	Eagle River	2
Oct., 1984	Fairbanks	2

A. The positions will all be Range 16. - Shop Supervisors; FY 1983 cost is computed as follows:

Monthly Salary \$2556

Annual Salary	\$30,672
Variable Benefits	5,101
Supplemental Benefits	1,880
Health Benefits	2,196
Total:	\$39,849

B. Travel

1. Board travel consists of 4 board meetings to be held at institutions with industries programs. It is assumed an average of 6 board members will attend each meeting, with 4 requiring air travel. It is assumed each meeting will be of a three day duration. \$10,560
2. Public Hearings will be conducted at @ Board meeting whenever possible. However two meetings a year in addition may be needed in FY 83 and FY 84 for start up of industries. \$5,280
3. Staff travel of \$6,000 is included for supervision of the program.

C. Contractual funds are included for specialized services not available from state agencies plus long distance telephone and postage costs. It is assumed that the cost for additional heat and electricity will be absorbed by the institutions conducting the industries programs.

D. Commodities funds are to purchase raw materials needed in the manufacturing of products.

E. Funds to purchase equipment will be needed in significant amounts for the first three years for the new product/service lines, as they are developed.

F. Funds requested in Grants and Claims is for the payment to inmates of wages earned. The following table represents the estimates of persons in the program, average wages, etc.

<u>FISCAL YEAR</u>	<u>FULL TIME INMATES</u>	<u>DAYS PER YEAR WORKED</u>	<u>HOURS PER DAY WORKED</u>	<u>AVE. HOURLY WAGE</u>	<u>TOTAL WAGES</u>
1983	40	250	7.5	\$.44	\$33,000
1984	75	250	7.5	.48	67,500
1985	100	250	7.5	.52	97,500
1986	100	250	7.5	.56	105,000
1987	100	250	7.5	.61	114,375

G. Capital expenditures are addressed in the Governor's Capital budget, as follows:

FY 1983	Juneau Prison Industries Building	\$1,248,500
FY 1983	Eagle River Prison Industries	1,306,200
FY 1983	Fairbanks Prison Industries	1,542,000
FY 1985	Palmer Prison Industries Remodel	200,000

The above costs are, therefore, not included in the fiscal note.

H. Inflation

It is assumed that there will be a uniform 9% inflation rate through FY 1986.

- I. Funding identification has not been made as the proposed legislation is not specific as to the manner program receipts are to be handled. Funding could be identified as all general funds or a combination of general funds and program receipts.

Without knowing what specific industries are to be developed or the time frame in which goods or services are available to the specified consumers, no estimate of program receipts can be made at this time. It is assumed, however, that all program receipts will either be identified as part of the funding or deposited directly into the state treasury.

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Bill/Resolution No. CSHB 194 (HESS)

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600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		33.0	67.5	97.5	105.0	114.4
TOTAL	-0-	355.5	580.5	728.5	708.7	770.3

FUNDING (Thousands of Dollars)

		*	*	*	*	*
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

* See Analysis, Paragraph I

POSITIONS

		1	2	4	-0-	-0-
FULL TIME						
PART TIME						
TEMPORARY						

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February 18, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would provide for the creation of certain industries within our present correctional system. The purpose of the bill is to provide appropriate employment for prisoners, consistent with proper penal administration, and to direct prisoner effort toward self-betterment, financial responsibility, and the creation or improvement of job skills that can be used upon release.

The commissioner of health and social services would be empowered to establish the necessary mechanisms for correctional industries and would be responsible for marketing the products and services. Sales would be made to governmental agencies and to private non-profit organizations. Prices to be charged for the products and services provided would be determined by the commissioner, and the program would be exempt from collective bargaining and the provisions of AS 23.

Wages for work done by prisoners would be determined by the commissioner and would be credited to the individual prisoners. Disbursement of a portion of these wages would be made so as to allow the state to recover any related violent crime compensation award made and to pay any restitution order or court award against the prisoner for damages arising out of the criminal conduct. The prisoner could also be made to pay for care of his dependents. The prisoner may then opt to buy personal items, retain the balance of earnings until his release, or for another proper purpose.

A correctional industries commission would be established to hold public hearings to provide an opportunity for persons or organizations who may be affected by the

program to contribute ideas. The commission would then make recommendations to the commissioner regarding the industries program. The commission would have representatives from private industry, labor, agriculture, the public, the state government, and one ex-offender.

This bill also includes provisions dealing with institutional employment of prisoners in general. They declare a policy of the state that prisoners be productively employed while imprisoned; list the types of employment, one of which is the correctional industries program; provide for earnings as determined appropriate by the commissioner; and provide for the forfeiture of all or a portion of earnings of prisoners who escape as determined appropriate by the commissioner. Section 4 of the bill would repeal three provisions which would be inconsistent with and superseded by the statutes in this bill. (However, existing AS 41.20.110(b), on trail and campsite work by prisoners, is left intact.)

It is suggested that, if this bill passes, the revisor of statutes should relocate the "general provisions" article of AS 33.30 to the end of the chapter.

Sincerely,

S/SSH

Jay S. Hammond
Governor

Original sponsor: Rules/Governor

Offered: 2/3/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 194 (HESS) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to prisoner employment and correc-
7 tional industries; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 33.30.225 is repealed and reenacted to read:

11 Sec. 33.30.225. INSTITUTIONAL EMPLOYMENT. (a) It is the policy
12 of the state that prisoners be productively employed for as many hours
13 each day as feasible, not to exceed 40 hours per week unless overtime
14 has been specifically approved by the commissioner. The term "pro-
15 ductively employed" includes the following kinds of employment:

16 (1) routine maintenance and support services essential to the
17 operation of the prison;

18 (2) education including both academic and vocational;

19 (3) industrial, agricultural, and service activities con-
20 ducted in accordance with AS 33.30.400 - 33.30.490; and

21 (4) public conservation projects including but not limited to
22 forest fire prevention and control, forest and watershed management,
23 recreational area development, fish and game management, soil conserva-
24 tion, and forest watershed revegetation.

25 (b) The commissioner may enter into contracts or cooperative
26 agreements with any public agency for the performance of conservation
27 projects.

28 * Sec. 2. AS 33.30 is amended by adding a new section to read:

29 Sec. 33.30.227. WAGE PAY. (a) Each prisoner who is productively

1 employed, as defined in AS 33.30.225(a)(1), (3) or (4), may receive for
2 that work compensation at a rate determined by the commissioner under
3 AS 33.30.450 and which is available from legislative appropriations.
4 The provisions of AS 33.30.450 apply to prisoners productively employed
5 in activities other than in the correctional industries program as well
6 as in those activities that are a part of that program.

7 (b) Nothing in this chapter prohibits the commissioner from estab-
8 lishing a wage comparable to the prevailing wage rate.

9 * Sec. 3. AS 33.30 is amended by adding new sections to read:

10 ARTICLE 4. CORRECTIONAL INDUSTRIES.

11 Sec. 33.30.400. PURPOSE. It is the purpose of AS 33.30.400 -
12 33.30.490 to:

13 (1) develop and operate agricultural, industrial, and service
14 enterprises employing prisoners under the jurisdiction of the commis-
15 sioner;

16 (2) provide realistic work experience for prisoners under
17 conditions as much like those that prevail in private industry as
18 possible, consistent with proper penal administration, and to direct
19 their efforts toward financial responsibility, acquiring or improving
20 effective work habits and occupational skills, and increasing the
21 probability of opportunities for employment after release; and

22 (3) operate a work program for prisoners that will be as
23 nearly self-supporting as possible by generating a sufficient amount of
24 money from the sale of products and services to pay all or most of the
25 expenses of the program.

26 Sec. 33.30.410. POWERS AND DUTIES OF THE COMMISSIONER. (a) The
27 commissioner may establish and administer a correctional industries
28 program that is based on voluntary prisoner participation.

29 (b) The commissioner may

1 (1) subject to the Fiscal Procedures Act (AS 37.05), use,
2 purchase, lease, equip, and maintain buildings, machinery, and other
3 equipment, and may purchase materials and enter into contracts, which
4 may be necessary for the correctional industries program;

5 (2) provide for prisoners to be employed in rendering ser-
6 vices and producing articles, materials, and supplies needed by a state
7 agency, a political subdivision of the state, an agency of the federal
8 government, other states or their political subdivisions, or for use by
9 nonprofit organizations;

10 (3) if the commission established in AS 33.30.470 approves,
11 the commissioner may employ prisoners to provide services or products as
12 needed by private industry if the services or products have potential
13 for contributing to the economy of the state and will have minimal
14 negative impact on existing private industry in the state.

15 Sec. 33.30.420. CORRECTIONAL INDUSTRIES FUND. (a) There is
16 established in the department a fund to be known as the correctional
17 industries fund. All expenses of the correctional industries program,
18 except salaries and benefits of state employees, are to be financed from
19 the correctional industries fund and budgeted in accordance with the
20 Executive Budget Act (AS 37.07). The commissioner shall report annually
21 to the legislature all activities and balances of the fund.

22 (b) The legislature may appropriate to the correctional industries
23 fund any amounts necessary to implement AS 33.30.400 - 33.30.490, which
24 may equal or exceed the amounts received by the state for services
25 rendered or products sold by the correctional industries program.

26 (c) Unless otherwise expressly provided, money appropriated to the
27 correctional industries fund is not a one-year appropriation under
28 AS 37.25.010. Any amount that is appropriated but that is not required
29 for the purposes of the fund in that fiscal year remains available for

1 spending in succeeding fiscal years.

2 Sec. 33.30.430. MARKETING OF CORRECTIONAL INDUSTRIES PRODUCTS.

3 (a) The commissioner shall market correctional industries products to
4 appropriate entities as provided for in AS 33.30.410(b)(2). Because of
5 the potential for contributing to the economy of the state, agricultural
6 produce may be sold to commercial processors, wholesalers, or distri-
7 butors, in addition to the entities provided for in AS 33.30.410(b)(2).

8 (b) The commissioner may sell a product or service of a correc-
9 tional industries program to a private industry, subject to the approval
10 of the commission established in AS 33.30.470. Before giving its ap-
11 proval, the commission must determine that the product or service has
12 potential for contributing to the economy of the state and will have
13 minimal negative impact on existing private industry in the state.

14 (c) A product or service provided by correctional industries that
15 meets marketable standards of quality and that meets the needs of state
16 agencies at reasonable cost, as determined by the commissioner of
17 administration, shall be purchased by state agencies through procedures
18 established by the Department of Administration in such a manner as to
19 facilitate the purchase. A product or service of the type and quality
20 of that supplied by the correctional industries may not be obtained from
21 a source outside correctional industries unless the commissioner certi-
22 fies to the Department of Administration that correctional industries is
23 not able to provide the product or service. State agencies shall make
24 maximum use of the resources of the correctional industries program both
25 in the purchase of existing products and by assisting in the development
26 of new products or adaptation of existing products to meet future needs.

27 (d) The commissioner shall periodically determine the prices at
28 which products and services will be sold. Prices must approximate the
29 fair market value of products and services of comparable quality offered

1 by commercial sources.

2 (e) The commissioner of administration shall establish suitable
3 methods of accounting and purchasing to facilitate the production and
4 marketing of correctional industries products and to assure accurate
5 cost data.

6 Sec. 33.30.440. LEGAL RIGHTS OF PRISONER WORKERS. (a) In ad-
7 ministering the correctional industries program, the department shall
8 comply with federal and state health and safety regulations, except for
9 the provision of workers' compensation under AS 23.30.

10 (b) The provisions of AS 23 do not apply to correctional indus-
11 tries nor to prisoners who work in correctional industries.

12 (c) Prisoners working in correctional industries are not state
13 employees nor do they have the rights or privileges accorded to state
14 employees, including the right to participate in collective bargaining.

15 Sec. 33.30.450. PRISONER PAYMENT; FORFEITURE. (a) The commis-
16 sioner shall establish a pay plan for prisoners working in correctional
17 industries based on the quantity and quality of work performed and skill
18 required. Wage incentive plans to increase productivity may be included
19 in the pay plan. The commissioner shall determine the amount to be
20 credited to the prisoner after disbursements made under (b) of this
21 section.

22 (b) The commissioner shall disburse prisoners' payments in amounts
23 determined to be appropriate under procedures adopted by the commis-
24 sioner based on the following order of priority:

- 25 (1) for support of the prisoner's dependents, if any;
26 (2) to reimburse the state for compensation awarded under
27 AS 18.67 resulting from the prisoner's criminal conduct;
28 (3) to pay a civil judgment resulting from the prisoner's
29 criminal conduct;

1 (4) for the purchase of clothing and commissary items for the
2 prisoner's personal use;

3 (5) to pay a restitution or fine of the prisoner ordered by a
4 sentencing court.

5 (c) Money credited to a prisoner must be retained by the com-
6 missioner for the primary purpose of being available to the prisoner at
7 the time of his release. The commissioner may, however, permit the
8 prisoner to draw upon a portion of the money for other purposes that the
9 commissioner considers appropriate.

10 (d) If a prisoner escapes, a portion of his earnings, as deter-
11 mined by the commissioner, is to be forfeited. The commissioner shall
12 deposit any forfeited earnings in the general fund.

13 Sec. 33.30.460. ATTACHMENT OF PRISONER PAYMENTS. Only the prisoner
14 payments retained by the commissioner under AS 33.30.450(c) are subject
15 to lien, attachment, garnishment, execution, or similar procedures to
16 encumber funds or property.

17 Sec. 33.30.470. CORRECTIONAL INDUSTRIES COMMISSION. (a) The
18 Correctional Industries Commission is established to provide general
19 policy direction to the correctional industries program through the
20 commissioner of health and social services. The commission consists of
21 seven members, five of whom are to be appointed by the governor to serve
22 staggered terms of four years. The appointed members must include a
23 representative of private industry, organized labor, agriculture, and
24 the general public, and one ex-offender. The commissioner of admini-
25 stration is also a member, as is the commissioner of health and social
26 services who is to serve as chairperson.

27 (b) The commission shall meet at least four times during each
28 fiscal year and may hold additional meetings at the call of the chair-
29 person. Four members of the commission constitute a quorum and a vote

1 of a majority of the quorum is necessary for the transaction of the
2 business of the commission.

3 (c) Members of the commission serve without compensation, but are
4 entitled to receive the per diem and travel allowance provided in
5 AS 39.20.180 for attending meetings of the commission and making investi-
6 gations either as a commission or individually as members of the commis-
7 sion at the request of the chairperson.

8 Sec. 33.30.480. POWERS AND DUTIES OF THE COMMISSION. (a) The
9 Correctional Industries Commission shall monitor the correctional
10 industries program, annually review the proposed budget of the program,
11 and make appropriate recommendations to the commissioner. This budget
12 must be transmitted in the normal budgetary process to the legislature
13 as part of the governor's budget.

14 (b) The commission shall hold public hearings to provide an op-
15 portunity for persons or organizations who may be affected by the plans
16 of the correctional industries program to appear and present testimony
17 concerning those plans. The commission shall adopt rules governing the
18 conduct of those hearings, including provisions to assure that adequate
19 public notice of the hearing is given before the hearing. The commis-
20 sion may also hold public hearings under these rules on any matter
21 within its jurisdiction. Rules adopted under this subsection are not
22 subject to the Administrative Procedure Act (AS 44.62).

23 (c) The commission shall recommend to the commissioner the ad-
24 visability of establishing, expanding, diminishing, or discontinuing
25 industrial, agricultural, or service activities to enable the program to
26 operate as nearly as possible in a self-supporting manner, to provide as
27 much employment for prisoners as is feasible, to provide diversified
28 work activities with minimal negative impact on existing private
29 industry in the state, and contribute to the economy of the state. In

1 making recommendations, the commission shall consider testimony received
2 at public hearings.

3 Sec. 33.30.490. COOPERATION WITH STATE AGENCIES. With the ap-
4 proval of the commissioner, a state agency may, without charge, transfer
5 to the department for the correctional industries program any property
6 or equipment suitable for the purposes of that program.

7 * Sec. 4. AS 37.05.230 is amended by adding a new paragraph to read:

8 (9) the provisions of this section relative to competitive
9 bids do not apply to the purchase of products or services provided by
10 the correctional industries program established under AS 33.30.400 -
11 33.30.490.

12 * Sec. 5. AS 33.30.270, 33.30.280, and AS 36.10.060 are repealed.

13 * Sec. 6. AS 33.30.400 - 33.30.490 are repealed July 1, 1987.

14 * Sec. 7. This Act takes effect July 1, 1982.
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