

SB

184

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Ellason
Senator Rick Halford
Senator Jay Kerttula



WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR AND COMMERCE COMMITTEE

SENATE LABOR & COMMERCE COMMITTEE

LETTER OF INTENT

CSSB 184 (L&C)

THE SENATE LABOR & COMMERCE COMMITTEE IS CONCERNED ABOUT THE IMPACT OF THE CORRECTIONAL INDUSTRIES PROGRAM ON EXISTING PRIVATE SECTOR BUSINESSES. IT IS THE INTENT OF THE COMMITTEE TO MEET WITH CORRECTIONAL INDUSTRIES REPRESENTATIVES AND THE CORRECTIONAL INDUSTRIES COMMISSION DURING THE INTERIM TO ASCERTAIN COMPLIANCE WITH THE LEGISLATIVE INTENT OF ONLY INSTITUTING PROGRAMS THAT HAVE A MINIMAL IMPACT ON THE PRIVATE SECTOR. FURTHER, THE CORRECTIONAL INDUSTRIES PROGRAM SHOULD CONTRACT WITH ALASKA PRIVATE ENTERPRISE TO WHOLESALE AND RETAIL THE PRODUCTS IT MANUFACTURES.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. C S S B 184(L&C)

Revision Date: April 23, 1991 Department Affected: Corrections
 Title: "AN ACT relating to prison industries." BRU: Statewide Operations
 Component: Industries Product Cost
 Sponsor: Senator Duncan
 Requestor: Senate Labor & Commerce Comm. COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	.3	.3	.3	.3	.3	.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.3	2.3	2.3	2.3	2.3	2.3

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER <u>Corr. Ind. Fund</u>	2.3	2.3	2.3	2.3	2.3	2.3
TOTAL	2.3	2.3	2.3	2.3	2.3	2.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: William Ladwig, Admin. Officer Phone: (907) 465-3376

Division: Administrative Services Date: 04/23/91

Approved by Commissioner: *Henry W. Johnson*

Agency: Department of Corrections Date: 04/23/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

RF

Alaska State Legislature

SENATOR ARLISS STURGULEWSKI, Chairman
SENATOR PAUL FISCHER, Vice Chairman
SENATOR SAM COTTEN
SENATOR LYMAN HOFFMAN
SENATOR CURT MENARD



P.O. BOX V
ROOM 427
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 485-3762

Senate Committee on
Health, Education and Social Services

Place in file.

MEMORANDUM

March 27, 1991

TO: Senator Dick Eliason
Senate President

FROM: Senator Arliss Sturgulewski, Chairman
Health, Education & Social Services Committee

RE: Senate Bill 184 "An Act relating to correctional
industries."

Normally the referral of legislation dealing with the Department of Corrections comes to the Senate Health, Education & Social Services (HESS) Committee. Senate Bill 184 was referred to the Labor & Commerce Committee and the Finance Committee, but not to the HESS Committee. Correctional industries is an important part of the corrections program. I would appreciate an additional referral of Senate Bill 184 to the HESS Committee so that we could evaluate the program's aspects.

Sunset - 2 yrs
Bd - subject to
disclosure

ALASKA
CORRECTIONAL
INDUSTRIES

State of Alaska | Department of Corrections

May 3

MINER PUBLISHING CO.

Phone (907) 536-2000



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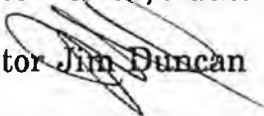
Alaska State Legislature

SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
VICE CHAIR —
FINANCE
VICE CHAIR —
STATE AFFAIRS
RULES
BUDGET & AUDIT
ETHICS REFORM

To: Senator Arliss Sturgulewski
Chair
Senate Health, Education and Social Services Committee

From: Senator  Jim Duncan

Subject: Hearing for Senate Bill 184

Date: April 30, 1991

I request the earliest possible hearing for Senate Bill 184, An act relating to correctional industries.

Senate Bill 184 is an attempt to address concerns by private enterprise in our state with the Correctional Industries Program.

As you are aware the Senate Labor and Commerce Committee made a number of changes in its committee substitute as the result of the working group meeting in which you participated.

Section 1 amends 33.32.070(a) and adds an additional business representative to the commission. The seats are designated as manufacturing and retail and wholesale marketing and a stipulation is included that these representatives be associated with businesses impacted by the correctional industries program.

Section 2 amends AS 33.32.080(b) to add new language requiring the Commission to conduct a public hearing before it enters into a new industry or expands an existing industry.

Section 3 includes the sunset provisions incorporated from SB 227 sponsored by Senator Kerttula. The committee adopted an amendment to extend the life of the commission until July 1, 1993 rather than July 1, 1995.

The committee also amended the legislation in Section 4 to make commission members subject to the state's conflict of interest laws as outlined in AS 39.50.

Section 5 calls for an immediate effective date.

The Labor and Commerce Committee also adopted intent language stating that it intends to meet with the Correctional Industry Commission and its representatives during the interim "...to ascertain compliance with the legislative intent of only instituting programs that have a minimal impact on the private sector." The intent section also calls on Correctional Industries to contract with Alaska private enterprise for the retail and wholesale of products it manufactures.

Current law directs the Department of Corrections to establish programs which have a "minimal negative impact on existing private industry or labor force in the state." I feel the Correctional Industries Commission has not properly gauged the impact of its' programs on Alaska's private enterprise or labor force. I have specific concerns about the furniture manufacturing program. Appeals to the Department of Corrections and the Commission to review the impact of this program have been unsuccessful. This program has been expanded since its initiation several years ago. It is not clear if the Commission ever took steps to properly gauge the impact on private enterprise when it decided to expand this program.

In my dealings with the Department of Corrections over the past several months concerning this problem, it appears the main justification for the furniture manufacturing program is that it is working in other states. I agree that this program may work in areas with larger populations and diversified economies. Such a program may truly have a minimal negative impact in those areas, but not in Alaska. Alaska's economy is not nearly as sophisticated. Private business relies very heavily on state government. I do not feel the impact of this program in states such as California and Arizona can be applied to Alaska. The situations are very different and I don't believe this difference has been properly gauged in our state.

If it is impossible to schedule a hearing as soon as possible, I would request your consideration for waiving this measure from your committee.

Your favorable consideration of my request is appreciated.

STATE OF ALASKA
Department of Corrections
LEGISLATIVE POSITION PAPER
Lloyd Hames, Commissioner

P.O. Box '7', Juneau, AK 99811-2000 (907) 466-8876

Carl Nickel, Legislative Liaison

CSSB 184 L&C- "An act relating to correctional industries"

The Department of Corrections supports the passage of CSSB 184 L&C.

The bill provides additional clarification on the public hearing responsibilities of the Correctional Industries Commission when examining new markets for the correctional industries program. The new commission member added to the Correctional Industries Commission will further represent the private sector's business interests in reviewing the program's operations. These additional statute requirements will provide direction to the Correctional Industries Commission and serve to more fully evaluate any impact the correctional industries program might have on an existing private industry or labor force in the state.

Most importantly, the bill will extend the sunset of Alaska Correctional Industries allowing for the continued employment of the program's current 160 inmate employees and efficient utilization of existing manufacturing resources within the department's eight operating industries. The program will continue in its operations to maximize the dollars spent and recycled within Alaska's economy through generation of our Alaskan manufactured products.

FISCAL NOTE:

ZERO
ATTACHED

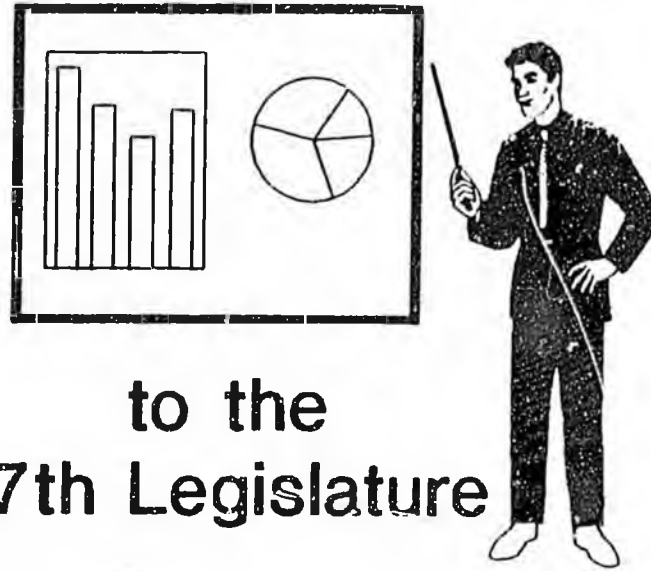
APPROVED: _____

Lloyd Hames
Commissioner

DATE: 4/23/91

SENATE BILL 184

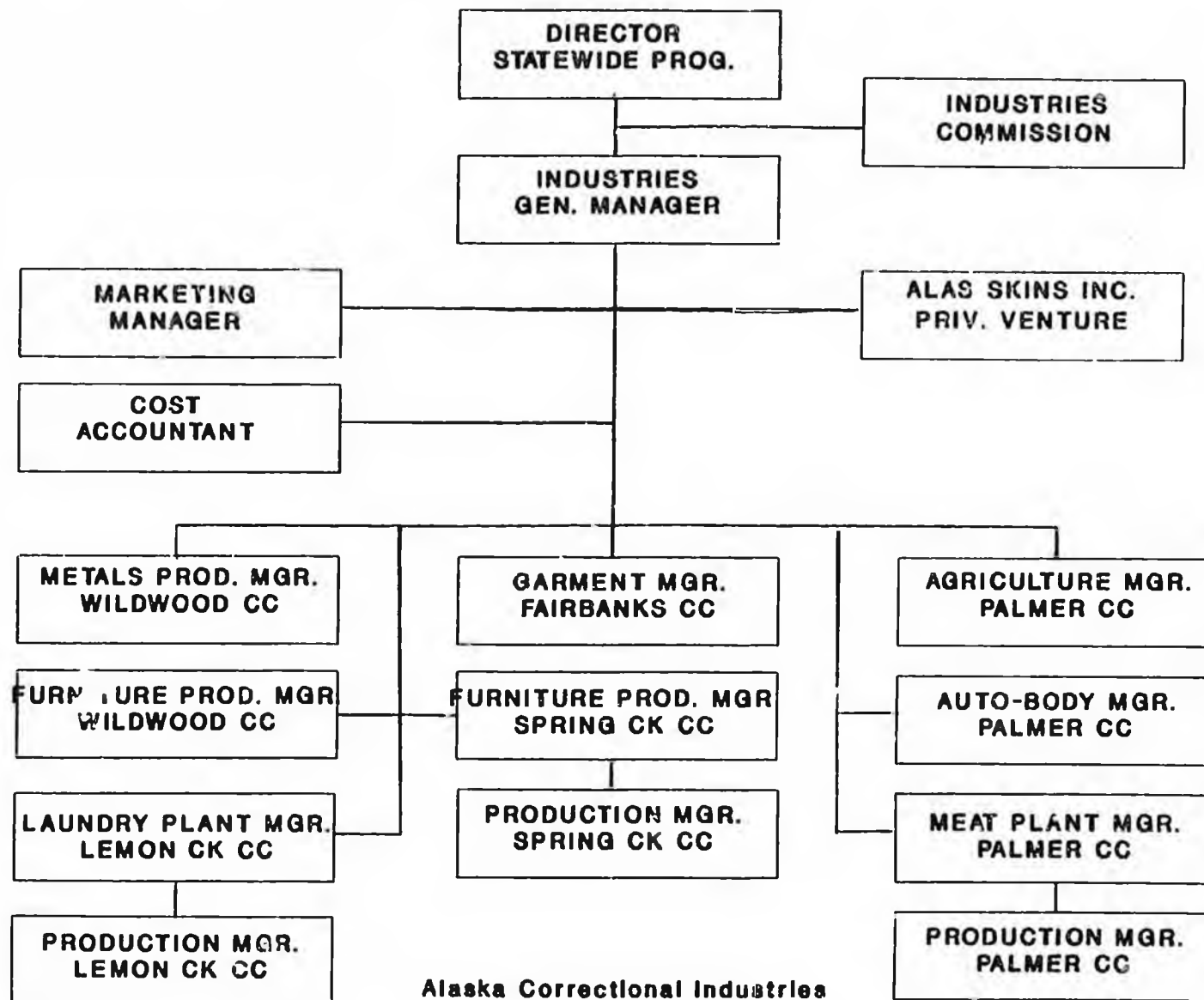
ALASKA CORRECTIONAL INDUSTRIES Presentation



to the
17th Legislature

Lloyd Hames, Commissioner
Rich Bentson, Director
Wally Roman, General Manager

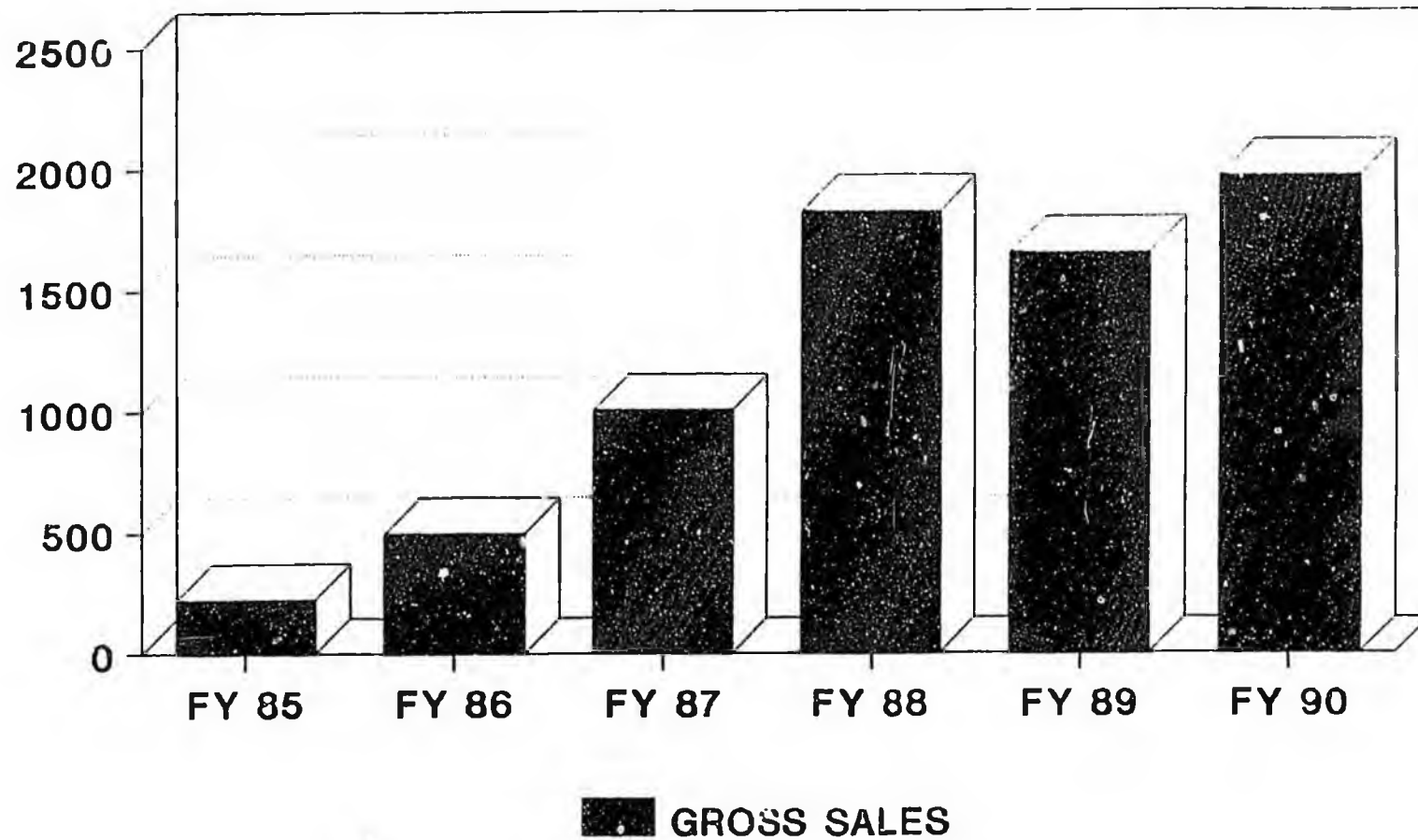
FY92



Alaska Correctional Industries
Organizational Chart
Statewide Programs

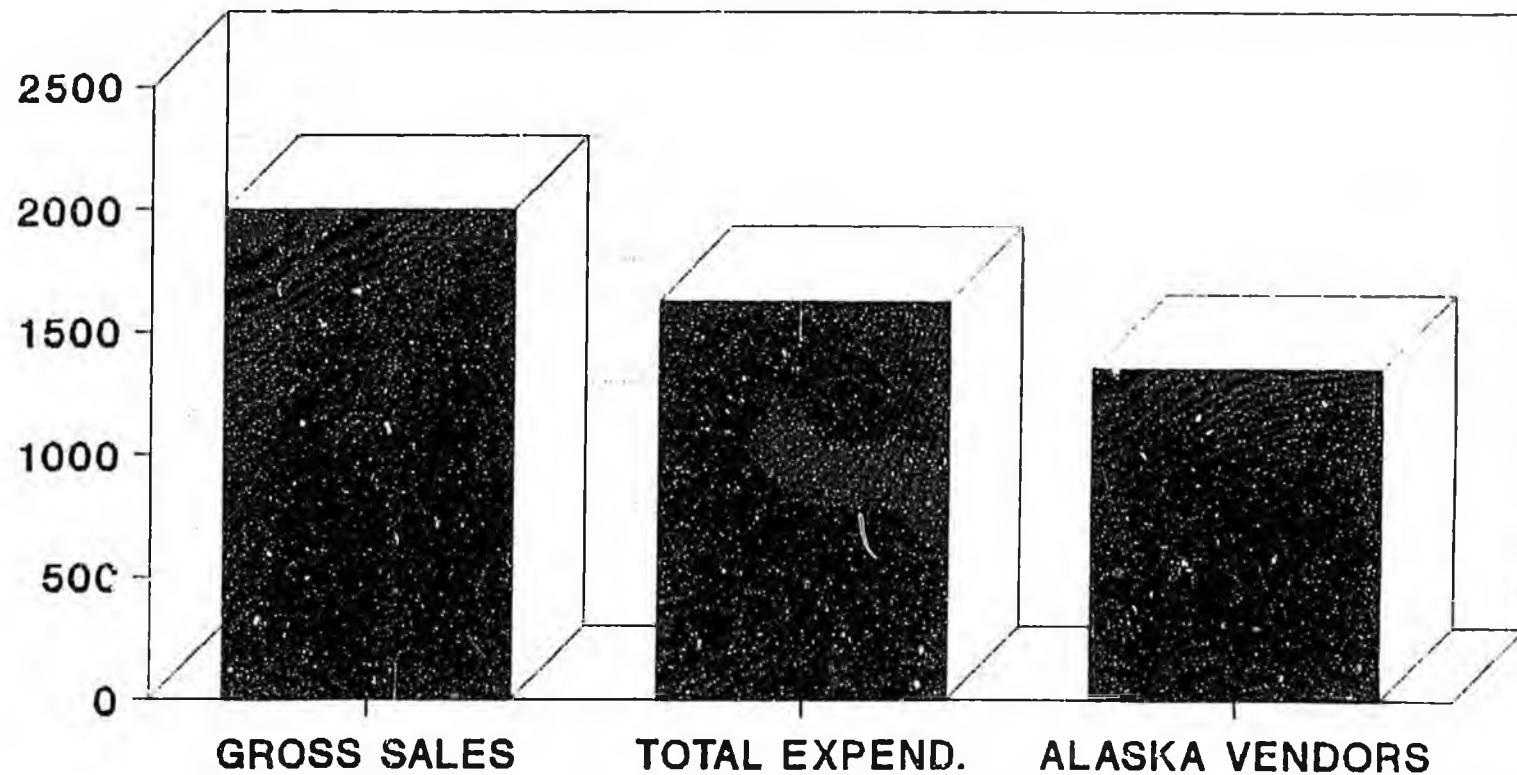
CORRECTIONAL INDUSTRIES

Annual Sales



In Thousands

CORRECTIONAL INDUSTRIES FY 90 SALES



262 ALASKAN VENDORS USED
OR
83% OF ALL
PURCHASES

■ ACI ACTIVITY

IN THOUSANDS

ALASKA CORRECTIONAL INDUSTRIES

LEGISLATIVE REPORT

March 12, 1991

INDUSTRIES OPERATIONS:

The Alaska Correctional Industries program had an active operation by the end of February, 1991 in the following industries:

1. Juneau Commercial Laundry
2. Kenai Metals Plant
3. Kenai Furniture/Office Systems Panels Plant
4. Palmer Farm/Green House Operation
5. Palmer Auto-Body Repair Shop
6. Palmer Mt. McKinley Meat Plant
7. Fairbanks Garment/Flat Goods Shop
8. Seward Furniture Plant

The employment of 160 inmates at the end of February, 1991 represents an increase of 6.6% over the prior year's employment level. This represents employment of approximately 6% of the state's incarcerated inmate population. Since our programs inception in 1982, the program has continued to expand and now in fiscal year 1991 is operating eight industries in six separate locations. Year-to-date in January, the Correctional Industries Program had provided 157,410 hours of inmate labor in the production of its services and products.

REVENUE SALES:

FY-88	\$1,827,000
FY-89	\$1,655,000
FY-90	\$1,970,154

The products and services produced by Alaska Correctional Industries are available to local, state, and federal government, school districts, non-profit organizations, and approved designated wholesalers. This year's year to date gross sales as of January was established at approximately \$1.2 million. projections for this fiscal year's gross sales is anticipated to approach \$2.3 million.

LEMON CREEK CORRECTIONAL CENTER:

The Juneau Commercial Laundry Operation continues doing excellent work for the Alaska Marine Highway system, as well as meeting the correctional center's needs at the Lemon Creek and the Johnson Youth facilities. The Juneau Recovery Unit and the Shrine of St. Teresa are also active customers. Approximately 97% of this operation's business are receipts from the Alaska Marine Highway system who formerly had its laundry serviced in Seattle, Washington and Prince Rupert, Canada. The total operation's FY-90 Gross Sales of \$270,531 surpassed the FY-89 sales volume of \$243,789. The

Laundry's projection for FY-91 indicates a slight increase in gross sales. Due to labor intensity, the Commercial Laundry operation will remain as one of the mainstays of the Industries program.

Staffing: Two production managers and 29 inmate staff

WILDWOOD CORRECTIONAL CENTER:

The Kenai Metal Fabrication Plant came on line in 1986, but did not receive a large production order until 1987. At that time, the plant turned out the metal cell furniture order for the new Spring Creek Correctional Center at Seward, Alaska. The order was originally to be placed with a firm in Hayward, California, but the order was changed so that the correctional industries metal plant could produce the job. Steel was bought from local vendors, the finished products were trucked to the site by local vendors, and the local economy enjoyed an additional \$150,000 of purchases that would otherwise have gone to a California vendor. The plant currently has a small standard product line and will provide custom work for all qualified markets. In FY-90, the shop produced \$60,000 in fish incubator (Kotoi) boxes for the Department of Fish and Game that had previously been awarded to out of state vendors. This shop attained \$145,677 in gross sales which was a large increase over its FY-89 sales level of \$68,536 primarily due to the Fish and Game order.

Staffing: One production manager and 10 inmate staff

The Kenai Furniture Plant began limited operations in 1986 and came fully on line in 1987. Quality control measures have been improved and sales to the State of Alaska agencies have been successful. There are no wholesale sales to the private sector, although several inquiries from private vendors have been received and this market is under analysis for development. The standard products include the more institutional line of couches, chairs, end tables, data tables, conference tables, dorm furniture, and book cases. In January of 1991, the program received the necessary approvals to develop a product line of office panels systems furniture. This product line will replace a majority of products made at the Kenai facility. The current product line will be transferred to the new furniture facility in Seward. The Kenai furniture operation attained a FY-90 gross sales level of \$455,319. \$343,636 was expended to attain this level of sales with 73.5% or \$252,421 of total expenditures through Alaskan vendors.

Staffing: One production manager and 34 inmate staff

PALMER CORRECTIONAL CENTER

The Palmer Farm Operation was instituted as a correctional industry in 1984, and has made slow steady progress over the ensuing time. Additional acreage has been prepared to increase the harvest size to meet the needs of the Department of Corrections. The farm continued in FY-90 and FY-91 in selling potatoes and vegetables to Southcentral Correctional Facilities and other State Institutions

as well as flowers which are utilized by the Anchorage International Airport and for various state beautification projects. The very favorable growing conditions during last summer allowed a banner crop of 330 tons of potatoes to be harvested in FY-90. The very favorable crop success and available sales volume of \$66,753 allowed a modest profit for FY-90.

Staffing: one production manager and 10 inmate staff

The Palmer Auto-Body Repair Shop began as a correctional industry in 1984 with the purchase of new equipment that allowed the shop to produce repairs of commercially acceptable quality. The Auto-Body Shop continues to do all auto-body repair on state vehicles primarily in the Southcentral region of Alaska, providing fast turnaround and high quality work. During FY-90, this operation attained \$71,130 in gross sales. The program is currently working in conjunction with the DOT State Equipment Fleet staff to identify heavy equipment that could be refurbished by this operation to expand the capabilities of this industry.

Staffing: One production manager and 6 inmate staff

The Mt. McKinley Meat and Sausage Company operates in conjunction with the Palmer Correctional Center but is located within the town of Palmer. This operation was acquired under a lease agreement with the Division of Agriculture, Department of Natural Resources in 1987 and was brought back on line after sitting dormant for one year. The original private sector owner of the plant was losing in excess of \$1,000,000 per year due to high labor costs and too low a level of production. While the correctional industry operation has lost money in FY-87, 88, 89, and 90, the operation has continued to improve in its goal to be self-sufficient. Due to increased market demands involving the processing of reindeer, and the ability to sell wholesale to private sector entities, this plant should be able to break even during FY-91. The operation experienced \$910,795 in gross sales in FY-90 and it is estimated it will exceed \$1,000,000 in gross sales during FY-91. Mt. McKinley Meats has been well received by the Alaska Farmers and Stockgrowers Association and the association supports its continuation in providing a stable wholesale market for Alaskan meat products.

Staffing: Two production managers and 28 inmate staff

FAIRBANKS CORRECTIONAL CENTER

The Fairbanks Garment/Flat Goods Operation was approved for implementation in FY-90 and began operations in FY-91. This industry is now in operation and is providing products to the Department of Corrections only. This is due to the concerns of negatively impacting existing private sector businesses. Any additional markets for this operation will be opened only after evaluation by the Correctional Industries Commission and review by the Commissioner of the Department of Corrections. The operation currently produces inmate clothing and flat goods for institutional use. All capital expenditures to open this industry were financed through revenues from the correctional industries program. Year-to-date FY91 sales in January attained the level of \$41,929.

Staffing: One production manager and 15 inmate staff

SPRING CREEK CORRECTIONAL CENTER

The Seward Furniture Plant was developed in FY-90 and became fully operational in FY-91. As noted, this industry will manufacture the program's line of oak furniture that was previously produced at the Kenai Furniture Plant. The new facility will provide additional space and is more conducive to the manufacturing of wood furniture products.

Staffing: Two production managers and a current inmate staff level of 24

ADMINISTRATIVE FUNCTIONS

A Correctional Industries General Manager, Marketing Representative, and Accountant perform the day to day administrative functions of managing and coordinating the Correctional Industries Program. 3 inmates provide assistance in the clerical, marketing, and accounting functions.

OVERVIEW

The entire staffing (14 staff positions) of the correctional industries program is comprised of 11 production managers, 1 accountant, 1 marketing representative, and 1 general manager. The program operates under the supervision of the Director of Statewide Programs, Department of Corrections.

The Correctional Industries program operates under Chapter 32, Section 33 of the Alaska Statutes as approved by the legislature in 1982.

Alaska Correctional Industries has become a major resource to the State of Alaska by keeping tax dollars at home and by providing needed products at affordable prices. However, to an even greater extent, the value of the ACI program lies in its ability to return productive citizens to our society. By providing greater numbers of prisoners with work opportunities to learn employable skills and a positive work ethic, ACI helps to reduce recidivism and reduce the cost of incarceration.

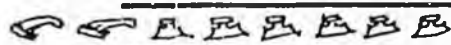
GENERAL INFORMATION

State	Open Market Law?		Sales With Other States?		Statutes Allowing Business Participation?		Wages Paid? (In Dollars \$)	State/Agency Use Law?	
	YES	NO	YES	NO	YES	NO		YES	NO
Alabama		●		●	●		7.00	●	
Alaska		●	●		●		.90	●	
Arizona	●		●		●		3.21	●	
Arkansas		●	●		●		N/R	●	
California		●	●			●	.30 - .95/Hr.	●	
California Youth	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Colorado	●		●		●		2.00	●	
Connecticut		●	●		●		.39 - .74/Hr.		●
Delaware	●			●	●		1.80		●
District of Columbia			●			●	.75	●	
Florida	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	
Georgia		●	●			●	N/R	●	
Hawaii		●	●			●	4.00		●
Idaho	●		●		●		.62/Hr.	●	
Illinois		●		●		●	4.50	●	
Indiana	●			●	●		1.49	●	
Iowa	●		●		●		3.25	●	
Kansas		●	●		●		1.05		●
Kentucky	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Louisiana		●	●		●		.32 - .80		●
Maine	●			●	●		N/R	●	
Maryland		●	●			●	3.70	●	
Massachusetts		●		●		●	.50 - 1.00	●	
Michigan		●	●		●		4.50	●	
Minnesota	●			●	●		.40 - 4.15/Hr.	●	
Mississippi		●		●		●	2.50	●	
Missouri		●		●		●	1.00	●	
Montana		●		●	●		4.65	●	
Nebraska	●		●		●		5.50	●	
Nevada	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
New Hampshire	●		N/R	N/R	N/R	N/R	3.00	●	
New Jersey		●		●		●	2.00 - 2.40	●	
New Mexico		●	●		●		N/R	●	
New York	N/R	N/R		●		●	N/R	N/R	N/R
North Carolina		●	●			●	.70	●	
North Dakota			●			●	9.45	●	
Ohio	●		●			●	N/R		●
Oklahoma	●		●		●		2.30	●	
Oregon	●		●			●	2.00 - 6.00	●	
Pennsylvania		●	●			●	6.50	●	
Rhode Island	N/R		●			●	2.00 - 3.00	●	
South Carolina	●			●	●		1.85	●	
South Dakota		●		●		●	2.55	●	
Tennessee		●	●		●		5.46	●	
Texas		●	●		●		N/A	●	
Utah		●	●		●		.75 - 4.00 Hr.	●	
Vermont		●	●			●	5.00		●
Virginia		●	●			●	3.00	●	
Washington	N/R	N/R	●		●		.20 (Class II)	●	
West Virginia		●	●			●	2.00	●	
Wisconsin		●	●			●	4.69	●	
Wyoming		●	●			●	1.19	●	
Canada	N/R	N/R	N/R	N/R	●		6.00	●	
Federal		●		●		●	6.16	●	

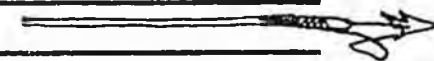
APR 23 1991



KAWERAK, INC.



P.O. BOX 948 • NOME, ALASKA 99762



(907) 443-5231

SERVING THE
VILLAGES OF:

- BREVIK MISSION
- COUNCIL
- DIOMEDE
- ELIM
- GAMBELL
- GOLOVIN
- KOYUK
- NOME
- SAVOONGA
- SHAKTOOLIK
- SHISHMAREF
- SOLOMON
- STEBBINS
- ST. MICHAEL
- TELLER
- UNALAKLEET
- WALES
- WHITE MOUNTAIN

April 18, 1991

The Honorable Drue Pearce, Chair
 Senate Labor & Commerce Committee
 P.O. Box V
 Juneau, Alaska 99811

Dear Senator Pearce:

You will find enclosed a copy of an approved resolution which was formally passed at the 1991 Annual Meeting of the Reindeer Herders Association on March 15, 1991.

The resolution, 91-01, supports the continuation of the correctional industries program, as proposed by SB 227 and HB 166.

Please feel free to contact me for more information at 443-5231.

Sincerely,

REINDEER HERDERS ASSOCIATION

Rose Atuk Fosdick
 Rose Atuk Fosdick
 Director

Enclosure



KAWERAK, INC.



P.O. BOX 948 • NOME, ALASKA 99762



(907) 443-5231

REINDEER HERDERS ASSOCIATION CORRECTIONAL INDUSTRIES RESOLUTION 91-01

SERVING THE
VILLAGES OF:

- BREVIK MISSION
- COUNCIL
- DIOMEDE
- ELIM
- GAMBELL
- GOLOVIN
- KOYUK
- NOME
- SAVOONGA
- SHAKTOOLIK
- SHISHMAREF
- SOLOMON
- STEBBINS
- ST. MICHAEL
- TELLER
- UNALAKLEET
- WALES
- WHITE MOUNTAIN

WHEREAS, the Correctional Industries Meat Plant is operating to provide a stable market for Alaska Grown livestock, including reindeer, and

WHEREAS, the meat plant is providing a source of quality local products for consumption by state institutions and purchases by local meat wholesalers and processors and

WHEREAS, the \$850,00 of livestock purchased for local producers stayed in the state economy instead of going to lower 48 producers and

WHEREAS, the slaughter and processing of reindeer through this inspected plant is providing a critical marketing service in expanding the industry and

WHEREAS, the Correctional Industries is providing training in proper handling and marketing of Alaska Grown products for both instate and potential export markets of meat products.

NOW THEREFORE BE IT RESOLVED, that continued operation of the Correctional Industry Meat Plant is recommended to provide a cost effective means of developing the reindeer industry as a key part of the livestock production sector in the Alaska economy.

BE IT FURTHER RESOLVED that the Reindeer Herders Association in its annual meeting March 14-15, 1991 in Nome endorse the Correctional Industries Meat Plant project and the continued processing of reindeer and encourage the Alaska State Legislature to support House Bill 166 which continues the Correctional Industries Program.

Tom [Signature]
President, Reindeer Herders Assn.

11-11-91
Date

Rad. bill file

APR 15 1991

April 10, 1991

Lloyd Hames
Commissioner of Corrections
P.O. Box T
Juneau, Alaska 99801

Sunrise Bakery
Wonder Bread - Hostess Cake
2248 Spenard Road
P.O. Box 92517
Anchorage, Alaska 99509
(907) 277-3548

Commissioner Hames:

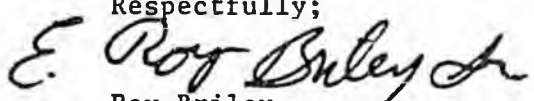
Thank you for taking my phone call this past week. You were very courteous and open about your objectives with the corrections department. We applaud you in your efforts to reduce state spending. We are taxpayers and appreciate whatever monies you may save us.

My phone call was of course prompted by your future plans regarding the purchase of baked goods. We have been told by reliable sources that your plans include purchases for all prison goods from one consolidator based in Seattle. The firm name we understood is N.O.E.L. Foods. Our concern is that consolidation in Seattle could put us at a disadvantage in bidding. We currently bid the prisons systems with an F.O.B. price delivered to their location. You are given an excellent price which can not be beaten by a Seattle baker. However if the rules change we would be hurt.

Commissioner Hames, thank you for taking my call and now the time to read my letter representing the bakeries 160 employees and their families. In closing I would like to list for your consideration 5 advantages to purchasing from our bakery.

1. Freshness
2. Quality
3. The advantage the Alaska economy receives when we buy Alaska
4. The tax base established by an ALaskan manufacturing facility.
5. The disadvantage Alaska would have if it were to loose it's only large commercial bakery.

Respectfully;



Roy Briley
General Manager Sunrise Bakery

- cc: Frank Prewitt Jr. - Deputy Commissioner of Corrections
 Drue Pearce - Senator
 Pat Rodey - Senator
 Loren Lemam - State Representative
 Dave Donley - State Representative
 Max Gruenburg - State Representative
 Ray Faccenda - Vice President of Continental Baking Company W.D.O.
 Mike Walters - Continental Baking Company W.D.O. Bread Sales Manager
 Dave Thompson - Make it ALaskan
 Joe Vantreeck - General Manager of Matanuska Maid Dairy
 Dave Choquette - Representative

All distributors Statewide and their Employees
Bakery Employees





Chamber of Commerce

124 West 5th St., Juneau, Alaska 99801

Phone: (907) 586-6420 FAX: (907) 463-5670

Representing The Local Business Community

April 23, 1991

The Honorable Senator Pearce, Chairman
Labor & Commerce Committee
State of Alaska Legislature
P.O.Box "V"
Juneau Alaska

Dear Senator Pearce,

We initially thought the Department of Corrections business unit was a vocational training program for inmates. But this apparently is not the case. According to testimony given by the Department's management at a recent hearing, it was stated that this is a program to "keep idle hands busy". Unfortunately, only 6 % of the inmates participate and only those subjected to very careful and selective screening.

We support a strong program to teach inmates a vocation that can be used after they leave the prison system, however, many of the jobs learned in the existing prison program are not in demand within our state. It has to be somewhat discouraging to the inmates when they find that their training has minimal value in the job market. We would suggest that a stronger emphasis be placed on training employable job skills to these inmates to prepare them for gainful employment upon release from the Corrections Department.

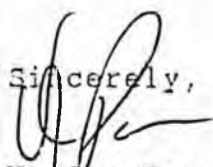
Currently the State Department of Corrections has the legal authority to bypass the State of Alaska's established purchasing policy for competitive bids. The Legislature mandates that "a product or service provided by correctional industries that meets marketable standards of quality and meets the needs of state agencies at reasonable cost, ... SHALL BE purchased by state agencies. It does not say MAY BE purchased. These items are not put out for competitive bid, and the State agencies MUST buy from the Dept of Corrections regardless if better service, delivery, or quality is available from another vendor.

We strongly object to the mandatory purchase requirement that eliminates the private sector from even bidding on State purchases. Even though the law states that the program is to have a "minimal negative impact" on the private sector, the mandatory purchase requirement in fact puts the Department of Corrections and therefore the State in direct competition with the local merchants.

Currently the Dept of Corrections is in the following businesses; butcher shop, office furniture manufacturing, laundry, agricultural farming, autobody repair, garment manufacturing, and metal fabrication. We are asking that in the future when the Corrections Dept considers new programs, more appropriate notification be given to the private sector to insure maximum participation in the public hearings process.

We would appreciate your support of these proposed changes and concerns of the Alaskan business community.

Sincerely,



V. Joe Poor
Executive Director

12901 Lupine Road
Anchorage, Alaska 99516
March 31, 1991

Senator Jim Duncan
P.O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

I am very, very strongly opposed to this Bill (see enclosed newspaper article).

Through taxes, the people of the State of Alaska supply food and housing for these inmates, and the people of the State of Alaska are the ones who should benefit from prison labor, through the manufacture of items to lower the cost of State Government.

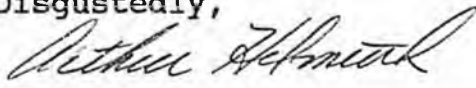
Senator Duncan, just where do you and people such as Capital Office Systems get the idea that they should be the only ones to benefit (through the sale of furniture), when prison labor is supported by all the people of the State of Alaska?

As a matter of fact, the Prisons Industries Program should be expanded to include the manufacture of items such as License Plates, as is done by prison industries in other states.

It is little wonder that management of state programs is in such disarray, when we have legislators introducing bills containing such fuzzy logic!

Incidentally, I am employed by private industry.

Disgustedly,


Arthur Helmuth

cc: Governor Hickel
Senator Collins
Senator Sturgulewski ✓
Rep. Bruckman
Rep. Choquette
Capital Office Systems

Prison work at issue

Practice defended by commissioner

The Associated Press

JUNEAU — The state corrections commissioner told business leaders that if they don't like the idea of inmates making products for state government, they should change the law.

Lloyd Hames' comment came during a recent meeting of the Juneau Chamber of Commerce to discuss how putting inmates to work may compete against private enterprise.

Alaska law says state government must buy from the prison industries program as long as the inmate-manufactured product is competitively priced and meets quality standards.

Supporters of the program say it benefits the state and gives inmates job skills. Opponents say the law does not allow private businesses to bid on some products or services that the prison supplies.

The meeting heated up when Hames took the chamber to task for a letter notifying members of the meeting. It contained critical comments about the prison industries program.

"I was really frustrated with this letter that went out," Hames said. "We have statutes. We have regulations. If you want to change

PRISONS: Work is challenged

Continued from Page D-1

the sucker, then go up there and change the rules, because we're doing what we're supposed to do."

A bill introduced Monday by Sen. Jim Duncan, D-Juneau, would require a public hearing for any expansion of the program. The legislation would also eliminate the requirement that says state government must buy from prison industries.

Duncan said Senate Bill 184 is a result of complaints about the program.

"I support correctional industries, but we should not be doing it to the point where we're getting into competition with the private sector," he said.

Prison industries manager Wally Roman acknowledges the program is controversial.

"Everybody says 'work those inmates,' but it's when we decide what to work them with where the problem arises," he said.

The program employs 160 inmates in eight shops throughout the state. Inmates repair state vehicles, make office furniture and grow vegetables, among other things, Roman said at the chamber meeting Friday.

Roman said the program keeps tax dollars at home. The state grossed \$2 million in prison sales last year but it spent \$1.6 million on supplies and materials — 83 percent of which came from 262 Alaska vendors, he said.

*Anchorage Daily News
March 12, 1991*

Please see Page D-5, PRISONS

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

311 C STREET, SUITE 550
ANCHORAGE, ALASKA 99501
(907) 561-7615

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

March 21, 1991

Mr. Charles Campbell
3020 Douglas Highway
Juneau, Alaska 99801

Dear Charles:

Thank you for both your letter of March 19 and your letter of March 20. I could ask for Senate Bill 184 to receive an additional referral to the Senate Health, Education, and Social Services Committee. However, I will do so only at your indication that the bill has gone too far, and would thwart the development of the prison industries program.

I know that you will be following the legislation, and I also will attempt to do the same. I would like to ask you to pay particular attention to the bill because of your interest and knowledge in the subject, and to inform me if you see things going awry. I have alerted Senator Pearce to my interest in the bill and to my strong, solid support of the prison industry program. I will be more than happy to go to her in the event it appears that the legislation is headed towards becoming unduly restrictive.

Thank you for your continued interest in this issue. I appreciate the work that you do.

Kindest regards,

A handwritten signature in cursive script, appearing to read "Arliss".

Arliss Sturgulewski
Alaska State Senator

March 20, 1991

Senator Arliss Sturgulewski
Alaska State Senate
Juneau, Alaska

Dear Arliss:

Re: SB 184

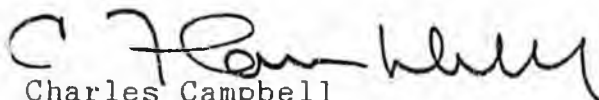
Yesterday I dropped off a letter at your office expressing concern about SB 184. According to a draft I had been given, Senator Duncan's bill would have eliminated the "state use" provision of the legislation that authorizes operations of a Correctional Industries program. Much of my letter is devoted to making a case against changing that provision. I have before me a copy of SB 184 and am pleased (and a little embarrassed) to note that Senator Duncan appears to have backed off on his apparent earlier intent to make substantial changes and, in my view, unwise changes in the Correctional Industries legislation.

It appears that SB 184 would do nothing more than strengthen the requirements concerning public hearings by the Correctional Industries Commission. I have no objection to this. I don't know where the Department of Corrections stands on it.

Please disregard my expressions of alarm about the "state use" provision change. I would, however, commend the other observation in my earlier letter to your attention.

Thanks very much for any help you can offer toward supporting development of a stronger correctional system.

Sincerely,



Charles Campbell
3020 Douglas Highway
Juneau, Alaska 99801

536-5793

Senator Arliss Sturgulewski
Chairperson, Senate HESS Committee
The Alaska State Senate
Juneau, Alaska

March 19, 1991

Re: SB 184

Dear Arliss:

When the enabling bill for Correctional Industries was considered in 1982, the year the legislation was enacted, HESS carried the main load in reviewing the bill. For reasons unknown to me SB 184 was not, when I last checked, assigned to the HESS Committee. But it should be, because there are important social and public interest implications to be considered.

I am not sure how you will come out on the question after you consider the changes Senator Duncan is proposing in this bill, but I do know that you realize the seriousness of the problem of idleness in Alaska prisons. Without question, it contributes to the inability of so many releasees to function responsibly in the community. It is critically important for our state to have a good Correctional Industries program.

At present, Correctional Industries employs 160 inmates. Each of these inmates is having a positive experience from every standpoint. They are learning good work habits and skills that will be useful to them after release, and are thus becoming more employable. Those who have families are contributing to the support of their families. They are setting aside funds that will be needed after release. And, perhaps more important than anything else, they are developing attitudes toward work and responsibility that will increase their chances of succeeding after release. It should be clear to all that a strong prison industries program is in the public interest.

The 160 employed by Correctional Industries represent about 6% of our in-state prisoner population. The national average is 10%. My view is that 10% would be a reasonable goal. It is customary for inmates go on an industries waiting list. A substantially greater number of inmates, than the number employed at any one time, can be given industries jobs before the end of their confinement. Still, unless we reach that 10% goal, we cannot claim to have developed the kind of prison industries program that we should have.

My intent is to do everything possible to help Correctional Industries reach the 10% goal, because of my interest in Alaska's having a good correctional system. Wally Roman, the Correctional Industries manager, tells me that we might have trouble continuing employment of 6% if SB 184 passes. I am not qualified to offer an opinion on the more intricate financial and business implications of Senator Duncan's desire to deprive Correctional Industries of the advantages of the "state use" provision, but I do know the following.

Committees of both houses of the Legislature carefully considered the implications of the "state use" provision before enacting the legislation in 1982. The provision requires state agencies to purchase products and services from Correctional Industries, if and when Correctional Industries is capable of providing such products and services at reasonable cost and of good quality.

Correctional Industries has been in operation for almost nine years, developing at a very modest pace because of the restraints built into the enabling legislation.

The Correctional Industries Commission has done a good job of protecting the private business sector, while also considering the public interest. Because a couple of in-state providers objected, Correctional Industries did not go into metal road signs manufacture, a standard product in other prison industries around the country. Correctional Industries did not open a print shop because of possible competition with private print shops. Correctional Industries would liked to have manufactured pressure sensitive decals and license plate stickers, required in large volume by the state. Private print shop owners complained that they might someday want to enter that line, so a Correctional Industries shop was not opened and the state continues, three years later, to buy this product from an out-of-state source.

At the direction of the Correctional Industries Commission, the metal furniture operation was closed down because the Commission felt that too much money was going out of state for purchase of components. The kit built furniture operation was closed down for the same reason.

As a result of the Correctional Industries Commission's policy Alaska businesses do very well as suppliers to Correctional Industries. Last year Correctional Industries had about \$2 million in gross sales. It had \$1.6 million in expenditures. 83% of this amount was spent in Alaska.

Office partitions panels are not manufactured in Alaska. Having shut down its metal furniture operation, Correctional Industries needs an industries line for employment of the Wildwood Correctional Center inmates. The wood furniture operation has been moved to the long term facility at Spring Creek- thus the decision to move into manufacture of partition panels at Wildwood. Incidentally, prison industries in 39 states manufacture office partition panels for sale to state agencies.

Senator Duncan became interested in this matter after Terry Quinn, an owner of Capital Office Supply, complained to him that the "state use" provision might reduce or eliminate his sales of panels to the state.

Capital Office Supply would purchase the panels from an out of state supplier and broker them to the state agency. Correctional Industries would manufacture the panels at WWCC in Kenai, from

materials purchased from Alaska suppliers, except for patented hardware such as hinges and caps.

There is no question that Correctional Industries' beginning of a office partition panel operation will negatively impact one of Capital Office Supply's hundreds of product lines, but it would generate business for other suppliers in the state, it would keep more money in the state, and it would provide an ideal product for Correctional Industries, providing jobs for inmates, some of whom are released everyday to live among us in the community.

Capital Office Supply may or may not suffer any lose in profits because of this instance of the effect of the "state use" provision for Correctional Industries, but that company's welfare is not threatened. State agencies have myriad requirements that will keep Capital Office Supply profitable and happy, I should think, for the foreseeable future.

The public interest is served by Alaska's having a correctional system based on "principles of rehabilitation" as required by the Alaska State Constitution. I don't know much about business, but I do know that a strong Correctional Industries program is essential to the kind of correctional system envisioned by the framers of that constitution. I honestly believe that had Senator Duncan considered the public interest aspects of this matter more carefully, he might not have chosen to attempt to restrain such an ideal Correctional Industries activity at the behest of Capital Office Supply. I believe that the Greater Juneau Chamber of Commerce might want to rethink its position and consider recalling the somewhat misleading information it has sent out to its membership. Indeed, I should think that a public spirited firm like Capital Office Supply, greatly respected in this community, might want to look at this matter again, taking into account the public interest aspect of the situation.

I offer these observation to you, knowing that, as a strong supporter of good corrections, you will give them careful consideration.

Sincerely,


Charles Campbell

3020 Douglas Highway
Juneau, Alaska 99801
586-5793

THE JUSTICE REPORT™

"IN FAITHFULNESS
HE WILL
BRING FORTH
JUSTICE."
ISAIAH 42:3 (NIV)

JF: BROADER MARCHING ORDERS

From its founding in 1983, Justice Fellowship has equipped citizens to influence the nation's criminal justice system. Across the country biblical standards of restorative justice are being implemented: Nonviolent criminals are being diverted into community-based restitution-rehabilitation programs; victims are getting a larger role in the criminal justice process.

JF task forces, in place in 22 states, have typically poured most of their energies into the passage of legislation—creating and funding alternative sentencing options and improving victims' rights.

But JF has recently committed itself to revised objectives that will broaden its sphere of influence: reform involves more than the passage of bills. For effective, long-lasting results, volunteers need to work with officials in all three branches of government—with agency leaders, judges, and legislators.

The benefit of this attack on three

fronts is evident with a quick glance at the work of volunteers in three states, Michigan, Arizona, and Florida.

Executive Director of Alternative Directions (a residential program for probationers in Grand Rapids, Michigan) John Wynbeek now chairs the Michigan JF Task Force. Wynbeek is leading the

contact with Dennis Schrantz, executive director of the Michigan Office of Community Corrections (MOCC), the agency responsible for implementing the state's Community Corrections Act. Once the office was created, Wynbeek offered assistance and clarification about the task force's goals.

"Dennis would echo that he needs an organization like JF to support [MOCC's] work in the community," Wynbeek says. JF volunteers take an active role in educating citizens as well as criminal justice professionals.

In Arizona, Judge Colin Campbell of the superior court of Arizona, Maricopa County—and a member of

the Arizona JF Task Force—stresses the importance of educating judges about the great potential of community-based punishments. "Often we just look to getting the legislature to create alternatives . . . but you also have to convince the judiciary that these are worthwhile programs to put people in. Judicial officers

YOU CAN HAVE LEGISLATION
ON THE BOOKS, BUT IF YOU DON'T
HAVE EFFECTIVE IMPLEMENTATION,
YOU HAVE NOTHING.

task force to work with the agency responsible for implementing community corrections so that the programs are consistent with restorative justice. "You can have legislation on the books," says Wynbeek, "but if you don't have effective implementation you have nothing."

To do that Wynbeek stays in close

CONTINUED ON PAGE 2

JF: BROADER MARCHING ORDERS

CONTINUED FROM PAGE 1



John Wynbeek works to implement community corrections in Michigan.

resist [sentencing] programs that come at them with the sense that people are telling them what to do."

The Arizona JF Task Force has found a good, nonconfrontational way to gain audience with judges: Campbell served two years on the Maricopa County Community Punishment Advisory Committee, and Task Force Chairman Wally Larson now chairs the same committee. From that platform JF volunteers are able to present and answer questions about alternative programs.

Campbell and task force members are also observing and offering input to the Arizona Supreme Court committee that is implementing a victims' bill of rights approved by Arizona voters on the November 1990 ballot.

"Converted" judges can be able community spokespersons, Campbell asserts. "There is a great deal of respect for the judiciary. To some extent we need to get judges back out into the community to be leaders . . . [In the past 40 years] judges have become more aloof and isolated to try to protect their independence and integrity. I think we need to break down the barriers a bit and get judges out there speaking on behalf of some of these programs."

For a total picture, Campbell adds

that the executive branch staff must be enlisted to support alternative programs and that prosecutors and victims must see their value. "It really is a system-wide effort," he concludes.

As JF searches for increased connections with governmental agencies and the judiciary, a continued legislative presence is still crucial, according to Florida JF Task Force Chair Fran Carlton. "Virtually all the goals we have require participation on the part of the legislature. Almost everything we want to do requires some kind of law change or governmental funding." She should know—as a former state representative for 12 years and current clerk of the circuit and county courts in Orange County.

"As a former legislator I can assure you that legislators want and respond to input from their own constituents." Carlton would like to see the task force organize a broad group of constituents statewide to develop rapport with their legislators, to a point that they earn an audience to explain JF's goals.

Carlton feels that legislators and task force members have the same ultimate goals, "but legislators don't have the time to get into the issue at the depth that we are, because this is our number-one priority while they have so many priorities.

"If you can make one single point, you can get the attention of every lawmaker. We cannot build our way out of this [prison overcrowding] crisis. We have tried; we have failed. There has to be another way, and alternatives at this point appear to be the only way."

Carlton says confidently, "The system is broke, and they know it. Therefore, if you can present to them a plan that has a chance of fixing it, they will listen." This strategy is working for the Florida JF Task Force: They've built high credibility in a short two-year period, assured legislators that alternatives are

tough on crime—"a political necessity," Carlton says—and obtained passage of a Drug Punishment Act last session.

The ultimate motivation for these and other task force members who work with parties involved in all aspects of criminal justice is to see biblical principles implemented in the justice system. Wynbeek explains, "I come from the Reformed perspective; Christians need to be involved in all areas of life in a significant way.

"I am sensitive to Christ's command to visit those in prison, and my interpretation of that is—rather than just visiting people in prison, I want to work toward situations where people who don't need to be in prison are not placed there . . . Offenders, obviously, are also created in the image of God, and efforts need to be made to help restore that image."

Judge Campbell reflects, "Part of being a Christian is wanting to make a difference in the lives of people around you." Just punishment, restitution, victim healing, community service, treating substance abuse, teaching responsibility and job skills, wise allocation of public funds—all are worthy ideals that Wynbeek, Campbell, Carlton, and other JF volunteers strive to put into place as they promote criminal justice reform on all fronts.



Fran Carlton understands Florida legislators. She was one for 12 years.



WE'RE NUMBER ONE

CHARLES W. COLSON

America may have fallen behind other developed nations in education, automobile production, and other important indexes. But there is one area in which we can now claim uncontested dominance: According to the Sentencing Project, a criminal justice reform organization in Washington, D.C., America has the dubious honor of being number one in the percentage of its population living behind bars.

Out of every 100,000 of its citizens, the United States imprisons 426—a rate over 20 percent higher than the runners-up, South Africa and the Soviet Union. Only a decade ago these countries led the United States in the rate of incarceration.

This is sad commentary. And personally frustrating. For 15 years we in Prison Fellowship have been going into the prisons to minister the Gospel and offer inmates the hope of a changed life through Christ. And for 10 years Justice Fellowship has been pursuing more constructive alternatives to incarceration.

So I feel as if we've been climbing a mountain while the ground shifted backward beneath us—climbing up and up, only to find, a decade later, that we're further behind than when we started.

Throwing more offenders into prison hasn't reduced crime one bit. In the eighties, while we were doubling the prison population, the number of violent crimes in the United States rose by 22 percent. Drugs have turned our city streets into war zones. And inner-city mothers who sent their sons to the Persian Gulf found grim comfort in knowing that they would be safer there than on the city streets at home.

Where have we gone wrong?

I believe politicians and criminal justice experts have been suckered into

the greatest delusion of the twentieth century—utopianism. Proponents of utopianism believe that people are basically good at heart, and that it is their environment—not their sinfulness—that creates most problems. So the right programs and the right laws will even-

THROWING MORE OFFENDERS INTO PRISON HASN'T REDUCED CRIME ONE BIT.

tually create heaven right here on earth.

I recently read a classic example of misguided utopianism. A study conducted by the National Association of State Boards of Education and the American Medical Association sought the root causes of problems like teen pregnancy and drug abuse. Their report found that "The mobility of American families, the need for second incomes, a faster-paced society . . . have robbed too many young people of stable families and communities where they are surrounded by caring adults to guide their growth and development."

A surprisingly honest analysis. But two paragraphs later the commission gave its proposed solution: to "guarantee all adolescents access to health services regardless of ability to pay."

Faced with a behavioral problem, what do we do? Enact a government program of fully funded medical care. It would be comical if it were not so tragic.

Nowhere has this utopian delusion been more persistent than in the field of criminal justice. Liberals argued for decades that criminals were victims of social ills like poverty and racism. So they sought their solutions in government schemes to clean up the ghettos, provide education, and rehabilitate

criminals. They failed miserably.

Today, conservatives are succumbing to their own utopianism: Lock the "criminal element" in prisons, the theory goes, and the institution will solve the crime problem. The rest of us can get on with building nirvana.

Well, the solution won't come that way. The root of crime is sin, and we're not going to stop crime without changing hearts.

Ironically, while the United States was taking the lead in incarceration rates,

another independent study by a respected team of psychologists found that religious training in prison lowered recidivism rates—about the only thing that did. Men who participated in Prison Fellowship's programs while incarcerated were 11 percent less likely to land back in prison compared to the control group. Those who were reincarcerated, the study showed, were convicted of less serious crimes.

When it comes to changing policy, studies like this provide hard evidence that moral solutions are needed to solve moral problems. Even utopian policy makers can't ignore these numbers.

The Soviet Union has reopened its churches, not because its officials are suddenly becoming Christians, but because it recognizes that Marx's utopian vision has failed, that its deteriorating moral and social conditions demand a moral resurgence. Meanwhile, the Soviets are emptying their prisons. South Africa similarly recognizes that an authoritarian rule can't survive the growing and insistent moral demands for change, and it has significantly slowed the growth of its prison population.

Now we're number one. Perhaps that will be enough to shock us out of our own utopian dreaming.



PRISON INDUSTRIES

DANIEL W. VAN NESS

The choice is this:" wrote then-Chief Justice Warren Burger in the October 1983 issue of *Nation's Business*, "Will we continue building warehouses of convicted criminals . . . [o]r will we build prisons that are factories with fences around them—where inmates . . . engage in useful production? Do we want prisoners to return to society as predators or producers?"

While the choice may not be as simple as Burger put it, prison industries are an attractive proposition—one in which Justice Fellowship has had a considerable interest over the years. They hold promise for providing meaningful training and work for inmates, reducing incarceration costs, and generating funds for victim compensation and inmate family support.

IMPEDEMENTS

Despite their attractiveness, however, prison industries face serious impediments. During 1989 less than eight percent of America's prison population was employed in prison industries. Why?

At a recent meeting at JF headquarters, prison industry experts Judith Schloegel of PRIDE of Florida, George Sexton of Criminal Justice Associates, and Ken Weeden of the National Office for Social Responsibility discussed with us some of the impediments facing the further development of prison industries.

These impediments include opposition from business (fearing unfair competition from in-prison operations that pay low wages) and from labor (fearing the loss of jobs). Bureaucratic inertia also takes its toll—corrections departments are designed to hold offenders securely, not to employ them. An ex-prisoner at the JF meeting mentioned the inmate work force's lack of job-readiness. Finally, scarce resources available to state-run industries and private industry's misperceptions of inmates have slowed the growth of "factories with fences."

Nevertheless, we learned that there are successful prison industries in the United States that are overcoming these and other impediments.

PRIVATE SECTOR INVOLVEMENT

Faced with a shortage of operators to handle its round-the-clock hotel-reservation system, Best Western International began employing inmates from the **Arizona** Center for Women in 1981. The inmates are treated virtually the same as reservation agents on the outside: They are subject to the same selection criteria, receive the same starting salary, and benefit from employee incentive programs. Many former inmate reservation agents have gone to work for Best Western on the outside.

In 1989 eighteen women inmates worked almost 18,000 hours, received over \$100,000 in salary, and paid over \$20,000 in taxes and over \$24,000 in room and board. From 1981 to 1988, inmates paid over \$112,000 in family support.

Best Western's program is a good example of the "employer model" of private sector prison industry. Private businesses employ the inmates and provide training, equipment, and supervision.

The **Stafford County, New Hampshire**, program exemplifies the "customer model." The county pays inmates at the County Jail and House of Correction to produce mechanical equipment that is then sold to outside businesses. Customer model prison industries also deduct money from inmate paychecks. In 1990 Stafford County inmates paid \$2,700 to a compensation fund for victims of sexual abuse and almost \$26,000 in room and board.

As of this writing, 20 private sector prison industry projects or agencies are certified

File of
Prison Ind
of
SB 184

to sell their goods on the open market—that is, they are exempt from federal restrictions on the interstate commerce of prison-manufactured goods. Last year's Federal Omnibus Crime Bill (see *Justice Report*, Winter 1991) will allow the certification of 30 more industries to compete on the open market.

Another category of prison industry is state supply prison industries. These are operated by a government agency to manufacture goods for federal, state, or county governments. One of the oldest and most successful programs of this type is Federal Prison Industries, which markets its products under the trade name UNICOR.

STATE SUPPLY PRISON INDUSTRIES

Established in 1934, UNICOR is completely self-sustaining—it requires no government appropriations. Employing over 14,000 federal inmates, UNICOR produces items from gloves and eyeglasses to equipment for environmental testing and guided missile propulsion. Like many other prison industries, UNICOR generates dollars for taxes, restitution, and family support.

UNICOR has come under attack from the private sector for alleged unfair competition—it receives preferential treatment in the federal procurement process, and pays inmates well below what similar workers receive on the outside. UNICOR responds by noting that 1) it can only sell its goods to the federal government (while private competition can sell on the open market), 2) its share of the federal procurement market is only one-sixth of one percent, and 3) it returns 60 percent of its sales to the private sector through raw material purchases.

Created by the state legislature in 1981 as a nonprofit corporation, Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE) of Florida is an enormous state prison industry program managed and operated by the private sector. While the Department of Corrections supplies the laborers, security, and facilities, an independent board of directors (once chaired by Florida JF Task Force member Jack Eckerd) oversees PRIDE's operations.

A UNIQUE MIX

PRIDE's stated goals are to educate, train, and place inmates; reduce idleness behind bars; reduce the cost of incarceration; and rehabilitate its inmate workers.

For a further description of this unique program, see page 7, "Florida Inmates Finding PRIDE in Jobs."

With virtually every prison system and county jail in the country struggling with overcrowding, rising costs, and inmate idleness, prison industries are an option that should be pursued more widely.

BENEFITS

There are, however, certain principles that should be upheld. First, the work itself should be meaningful—that is, it should build on the talents and skills of the worker, have a business purpose, pay real-life wages, and prepare the inmate for a job on the outside. Second, start-up prison industries will do well to consult with business and labor to address their concerns and seek their expertise. Third, inmates should be able to divert some of their wages to their families and victims—something not all prison industries guarantee.

Much of the above information on private sector prison industries was obtained from Work in American Prisons: The Private Sector Gets Involved (available from the National Institute of Justice) and Developing Private Sector Prison Industries: From Concept to Start Up. Both studies were written by Barbara Auerbach, George Sexton, Franklin Farrow, and Robert Lawson of Criminal Justice Associates.

JUSTICE FELLOWSHIP IN DEMAND

Legislators Listen

Les Duwall is the newest **Indiana** Justice Fellowship Task Force volunteer. A well-respected former state senator, Duwall was one of a select few invited to speak on key criminal justice issues at a joint meeting of the Indiana Senate Judiciary Committee and House Courts and Criminal Code Committee.

On behalf of the task force, he urged the legislators to support the conclusions of a criminal justice reform commission appointed by the governor. Duwall specifically urged support for ex-prisoner re-entry programs, earned credit time, and expansion of Indiana's community corrections program.

He told the committees that Indiana should sentence more nonviolent offenders to community based punishments to reduce prison overcrowding and recidivism, save money, and force offenders to repay their victims and perform community service.

After the meeting, Senate Judiciary Committee Chairman Ed Pease indicated that he is counting on Duwall and the Indiana Task Force to play a leading role this year in supporting measures to improve the state's criminal justice system.

Governor Calls on Task Force

After four years of work in the state, the **Florida** Justice Fellowship Task Force has become a sought-after ally in criminal justice circles.

This past January Florida Governor-Elect Lawton Chiles invited task force representatives, including Chair Fran Carlton, to a meeting with his transition team, legislative staff, and Department of Corrections officials. The governor explained he wanted to forge a partnership between his agencies, the legislature, and JF to effect changes in the state's overburdened correctional system.

The governor also pledged his sup-

port for the proposed Florida Community Corrections Partnership Act endorsed by the task force. In addition to establishing community-based punishments, the bill would incorporate drug treatment provisions from last year's Drug Punishment Act (which, despite being signed into law, lacks funding due to the state's severe budget shortfall).

The Orlando Sentinel has also contacted the task force, seeking input on how Florida should address prison overcrowding and drug abuse. The resulting editorial concluded, "The [prison] crowding crisis begs for bold action. Attacking the causes of crime, such as drug abuse, deserves highest priority."

New Team Takes the Field

In the face of massive prison overcrowding, **Nebraska's** Department of Correctional Services recently requested \$81 million for additional prison construction. Jim McFarland, a former state legislator and chairman of the new Justice Fellowship Nebraska Task Force, knows that the state can't afford it. As a result, the task force is backing legislation to create community-based punishments, such as house arrest, halfway houses, and restitution programs.

Thanks to his six years as a pro football player, McFarland knows the value of teamwork. He has assembled a capable task force that includes two University of Nebraska professors, a public policy advocate, an alternative sentencing expert, a former parole board member, and two clergy.

Although McFarland has no illusions about the task ahead, he is confident. "We're here saying we have an effective, less-expensive alternative [to prison construction] that has worked in other states.

"As people take a look at what the task force is advocating, the program will generate more and more support."

THE JUSTICE REPORT

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Justice Fellowship is a nonprofit organization working to make criminal justice systems more consistent with biblical teaching on justice and righteousness. Founded in 1983, it is a ministry of Prison Fellowship.

We seek to restore balance to the criminal justice system by focusing on reforms which address the needs of victims. The specific changes we seek are:

1. To sentence nondangerous offenders to restitution and community service programs rather than prison.
2. To grant victims a formal role in the criminal justice system, including the right to participate (with legal representation) in criminal cases.
3. To provide victims and offenders in every community with opportunities for reconciliation.

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FLORIDA INMATES, FINDING PRIDE IN JOBS

BY COLMAN MCCARTHY

CLEARWATER, Fla. It was a small office packed with legal talent. The three attorneys—articulate and sharp as pool players to the angles of federal and state laws—were working the phones on behalf of clients.

This might have been another busy day at any law office in America, except for a jarring difference: The lawyers were criminals who had practiced before serving time as inmates in the Florida prison system. Two had been convicted of selling drugs, and one of theft. Each was in the last months of his sentence at the Hillsborough Community Correctional Center and each was involved in one of the country's most innovative prison-employment programs.

The inmates were in the center's offices of PRIDE—Prison Rehabilitative Industries and Diversified Enterprises, Inc. In the nation's landscape of crime and punishment, cratered with high rates of recidivism and few alternatives to enforced idleness and boredom, PRIDE stands as a refutation of the conventional thinking that prisoners are failures who should, and will, stay that way.

The clients of the three lawyers were fellow inmates who would be released soon, with no more than \$100 and a road map. The phone calls were to possible employers, so that a job might be waiting on the outside. It's on the inside that PRIDE's success has been proven: PRIDE currently trains 3,052 inmates in marketable skills. Sales from these skills were a record \$81 million in the past year, an increase of \$14 million over the previous year.

Fifty-six industries—ranging from making shoes, furniture, eyeglasses, and bookshelves to designing modular office

systems—are located at 23 Florida prisons and jails. For many inmate-workers, their prison jobs were the first they ever held. Customers for the prison products include federal, state, county, and city agencies and contract vendors. The world wants something more from Florida prisons than license plates.



In the national debate on crime deterrence, with much of the noise coming from politicians shouting for longer sentences, not many are pointing to the obvious: A job can be the greatest deterrent.

Who says that? Each of the inmate-lawyers who spend the day at PRIDE lining up work for men and women on the way out. "The majority of people leaving prison," said one of the lawyer-inmates, a graduate of Emory University law school, "don't have a family, don't have money or a place to stay or food to eat. When they come through this office, we provide them with a good job. That way, they don't need to commit another crime to eat, sleep, or get clothes."

At the desk across the aisle, a second lawyer-inmate, who graduated from Fordham University law school, spoke about the extravagance of imprisonment. "My prosecution," he said, "and the cost of my confinement are

probably going to cost the state and federal government about \$750,000. Had they put me somewhere, like a halfway house and \$50 a week to live on, I would have served the same amount of time. It would have been better for me and cheaper for the state. They don't see it that way. Simple minds look for simple answers. More than 90 percent of those now in prison will be out on the street someday. If they have no job skills, society will end up paying the costs one way or the other."

In Florida, those costs include an estimated \$112 million a year for 1990-1994 for prison construction alone. This prevails as the national attitude: the pumping of money into hopelessness and the inevitability that new criminals will keep coming in and old criminals keep

coming back, and that nothing can change that. One thousand people a week are newly imprisoned in Florida, with 60 percent functionally illiterate and few with any positive job history.

With that clientele, PRIDE is succeeding in the miracle business. It takes society's worst cases, and allows them to earn money that is divided three ways: 30 percent to the inmate workers at 50 cents to \$1.15 an hour, 60 percent to the state of Florida for partial reimbursement for imprisonment costs, and 10 percent to victim restitution.

A major asset is that PRIDE pridefully is on its own in the marketplace. It takes no government money and is run as a nonprofit corporation. The main people keeping it honest are the inmates. They have learned that if their program doesn't work on the inside, neither will they on the outside.

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COMMUNITY-BASED PUNISHMENTS: THE SECRETARY SPEAKS OUT



Aaron Johnson supports community punishments.

Since 1985 Aaron Johnson has brought a deep-seated Christian compassion to his role as secretary of North Carolina's Department of Correction. Johnson, an ordained Baptist minister, has improved working conditions for correctional officers, expanded inmate programs, and helped the state ease prison overcrowding. A proponent of community-based punishments, Johnson recently talked with The Justice Report.

Q: Besides easing prison overcrowding, what value do you see in community-based punishments, or alternatives to incarceration?

A: I don't believe that prison is for everyone. It doesn't do society any good to put certain people in prison. Prison ought to be reserved for the most violent criminals. I'm a strong believer in community-based alternatives. That's why we have striven so hard to expand our alternatives. I think North Carolina leads the nation in house arrests and in intensive supervision.

We need to take a look at the way we punish people. I think incarceration is one of the easiest ways out. Suppose we had another way of doing it—make

that person responsible for making some type of restitution, say for the rest of his life, to someone he victimized.

Q: What is North Carolina doing to combat prison overcrowding?

A: Since 1986 the state has been expanding its prison capacity and its reliance on alternatives to incarceration. The General Assembly and the governor have agreed to appoint a sentencing study commission—to study all the issues related to criminal justice, including who should go into prison and who should go into alternatives. As a result of that I hope we can get a better handle on managing the problem.

Q: Which community-based programs in North Carolina do you think are particularly successful?

A: We have house arrest, intensive probation, the boot camp, community penalties, community services, and then we have DWI treatment. They are all working.

We have the programs we need, we just need to decide who is to go into the various programs. As it stands now the discretion is left mostly to the judges, but we hope to establish sentencing by public policy.

Q: How do you assure people who live near community-based programs that their houses and families will be safe?

A: Supervision is key to assuring safety. That's all you can do—to supervise and make sure those offenders are abiding by the set standards.

Then you need a prison bed. To those in community service, you say, "If you do not abide by the policies, then you are going to prison. No ifs, ands, or

butts about it. You have a choice to do your time in community-based corrections or in prison. It's up to you." That's why we need prison beds to back up the alternatives.

But in the end, I can't guarantee safety. No more than you can assure anyone who gets out on our highways that they are going to be safe.

Q: What role do you see for volunteers in community corrections?

A: We need volunteers to sponsor incarcerated offenders and those who are in community corrections. A sponsor, a peer person. A mentor type of individual.

We need volunteers who will work with the families. When I mention families, I'm thinking of the offender's family as well as the victim's family. There's the other group we need to give a lot of attention to—the victim groups. And that, too, is where volunteers can be of tremendous service assisting in the community.

Q: As secretary of corrections, why do you feel concerned about victims as well as offenders?

A: When we're dealing with an offender, we're dealing with a person who has a serious responsibility for the hurt he's caused the victim. Most crimes you commit, given enough time, you can get out of it. If you're incarcerated, you stay in prison for a certain length of time, then you're out, it's over. But then you have the victim, who could be scarred for the rest of his or her life.

I have seen and talked with a number of people who have been victimized. I wish we had a part of our correctional system to help the victim as well as punish the offenders.