

SUBJECT: Revising In-prison and private sector prison work programs for inmates

COMMITTEE: Corrections — committee substitute recommended

VOTE: 6 ayes — Allen, Hopson, Stick, Farrar, Haggerty, Mabry

0 nays

1 absent — Alonzo

WITNESSES: *On original version:*
For — None

Against — Rick Levy, Texas AFL-CIO

On — Mark Hughes, Texas Workforce Commission; John Benestante, Texas Department of Criminal Justice

BACKGROUND: **Texas Correctional Industries (TCI).** The Texas Correctional Industries office of the Texas Department of Criminal Justice (TDCJ) oversees inmates working at industrial plants throughout TDCJ as part of the prison industries program. Goods produced in the TCI program may not be sold on the open market, but can be sold to state agencies and political subdivisions of the state.

Private Sector Prison Industries Enhancement Program (PIE).

TDCJ operates a federally certified PIE program under which private industries employ state felons, subject to federal guidelines on wages and other restrictions. The private sector industries generally are located at or near the grounds of correctional facilities, and inmates work for the private industry while they are incarcerated. The goods produced are exempt from federal and state prohibitions against the sale of prison-made products.

Under federal and state laws, a portion of the inmates' gross wages can be deducted to repay the state for room and board, crime victims' compensation, family care, and taxes. Other deductions can go toward the cost of supervision, restitution, and an inmate savings account. Federal law requires

that programs meet other criteria, such as consulting with organized labor and local private industry, using only inmates who volunteer, paying prevailing wages, and providing for compensation to injured workers.

The Texas PIE program is capped at 2,000 offenders. Currently, about 350 offenders are employed in PIE programs, working in the following types of industries: eye glass production; computer subcomponents production; "cut & sew" machine shops; window manufacturing; and tractor trailers wiring.

DIGEST:

Private Sector Prison Industries Enhancement Program (PIE). CSHB 1372 would increase the limit on the number of participants in the prison industries program from 2,000 to 5,000.

When deciding whether a PIE program industry would cause the loss of existing jobs, TDCJ would have to look at any loss of jobs of a specific type, instead of any job loss by an employer. Existing jobs would not be considered as lost if the jobs were done by workers in a foreign country.

Inmate-produced goods. CSHB 1372 would apply to TDCJ current law requiring state agencies to purchase certain inmate-produced products. TDCJ would have to determine annually whether it needed products that could be produced by the TCI program for a savings to the department.

Inmate arts and craft shops. TDCJ's Texas Correctional Industries office would be given supervisory authority over inmate arts and craft shops located at individual prison units.

License plate production. The Texas Department of Transportation and TDCJ would have to join with the Texas Building and Procurement Commission in setting the price for license plates manufactured by inmates.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

Private Sector Prison Industries Enhancement Program (PIE). CSHB 1372 would raise the cap on the PIE program to 5,000 to allow the program to expand and have sufficient workers to properly study its results. Allowing the program to expand would recognize that the state has a responsibility to

promote the hiring of inmates to enable them to gain experience and job skills.

The bill would require that when the program was considering whether to authorize a certain type of industry and was determining whether it would cause the loss of existing jobs, it would focus on jobs of a specific type, not just any jobs. The analysis should more fairly consider whether comparable jobs would be lost.

The bill also would ensure that jobs lost by foreign workers are not considered since the analysis of potential jobs lost should be concerned primarily about Texas workers. This could help repatriate jobs to Texas and spur economic growth.

Inmate-produced goods. CSHB 1372 would treat TDCJ like all other state agencies in requiring that it consider inmate-produced products first when making purchases. The department already does this, so CSHB 1372 simply would codify current practice. The bill also would formalize TDCJ's practice of considering whether it could and should produce additional products.

Inmate arts and craft shops. The TCI office should oversee inmate arts and crafts shops because it is experienced and skilled at overseeing inmate labor. Currently, there is no specific designation of who should oversee inmate arts and crafts. CSHB 1372 would not lead to increased costs to TDCJ or the need for additional employees. The bill's fiscal note concludes that there would be no fiscal implication to the state and assumes that any work resulting from the bill could be reasonably absorbed with current resources.

License plate production. CSHB 1372 would formalize the process that TDCJ, the Texas Department of Transportation, and the Texas Building and Procurement Commission already use to determine the price of license plates.

OPPONENTS
SAY:

Private Sector Prison Industries Enhancement Program (PIE). The current PIE program is well below the current cap so there is no need to raise it. The state should not expand a program that allows prison inmates to work for private industries. These kind of programs have the potential to depress free-world workers' wages and unfairly give employers incentives to use prison labor.

Inmate-produced goods. It is unnecessary to specifically require TDCJ to purchase goods from itself since it is already current practice to do so.

Inmate arts and craft shops. It is unnecessary to give the TCI office supervisory authority over inmate arts and crafts shops. Currently, each unit oversees its own shop without any problems. Requiring TCI to oversee all arts and crafts shops could require additional employees or additional funds. The bill's fiscal note says that TDCJ reported that the cost of supervising production of goods at the craft shops could require 67 additional employees at an annual cost of \$1.9 million.

NOTES:

The committee substitute deleted numerous provisions, including ones relating to nonprofit organizations purchasing TCI products, the calculation of wages for workers in the PIE program, and changes to the deductions from the wages of youths involved in the PIE program. The substitute also added numerous provisions, including ones raising the cap on the PIE program, dealing with inmate arts and crafts shops, and requiring TDCJ to use TCI products when appropriate.