

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1213 Corrections
SPONSOR(S): Safety & Security Council; Taylor
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Safety & Security Council</u>	<u>14 Y, 0 N, As CS</u>	<u>Cunningham/Davis</u>	<u>Havlicak</u>
2) <u>Policy & Budget Council</u>	<u></u>	<u></u>	<u></u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

The bill creates the Correctional Work Program Council within the Agency for Workforce Innovation (AWI), the purpose of which is to evaluate correctional work programs operating in the state. On or before January 15, 2009, the Council must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives its findings and recommendations concerning the practices and laws relating to correctional work programs.

The bill requires Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE) to relinquish the Prison Industries Enhancement certificate to the Department of Corrections, and specifies that PRIDE employees are employees of the state for purposes of workers' compensation.

This bill creates the Correctional Work Program Council which will require expenditures between \$15,000 and \$50,000. See fiscal section for additional details.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government - The bill creates the Correctional Work Program Council within the Agency for Workforce Innovation, the purpose of which is to evaluate correctional work programs operating in the state and to make findings and recommendations concerning the practices and laws relating to correctional work programs.

B. EFFECT OF PROPOSED CHANGES:

PRIDE'S History

Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE) was created by the Legislature in 1981 as a private, non-profit corporation.¹ In 1983, the Legislature authorized PRIDE to lease and manage the state prison industries program which had been operated by the Department of Corrections (DOC). Section 946.501, F.S., defines PRIDE's mission as:

- Providing education, training, and post-release job placement to inmates to help reduce recidivism;
- Enhancing security by reducing inmate idleness and providing an incentive for good behavior in prison;
- Reducing the cost of state government by operating enterprises primarily with inmate labor while not unreasonably competing with private enterprise; and
- Rehabilitating inmates by duplicating, as nearly as possible, the activities of a profit-making enterprise.

PRIDE currently operates 37 industrial training programs in 20 state prisons, offers 341 on-the-job training programs, and in 2006, trained 3,440 inmates.² Some of the industries operated by PRIDE are raising dairy calves, furniture manufacturing, agriculture, printing, binding, data entry, and document imaging services.³ PRIDE does not receive funding from the Legislature and is supported by the revenues it generates from selling its products.⁴

Effect of the Bill

CS/HB 1213 creates the Correctional Work Program Council (Council) within the Agency for Workforce Innovation (AWI), whose purpose is to evaluate correctional work programs operating in the state and to make findings and recommendations concerning the practices and laws relating to correctional work programs. The council consists of the following eight members:

- A person appointed by the Governor;
- A Senator appointed by the President of the Senate;
- A Representative appointed by the Speaker of the House of Representatives;
- The Commissioner of Agriculture, or his or her designee;
- The Chief Financial Officer, or his or her designee;
- The Attorney General, or his or her designee;
- The Secretary of Corrections; and
- The chairman of PRIDE.

The bill specifies that the Council is not subject to control, supervision, or direction by AWI or DOC. The council must hold its first meeting by September 1, 2008, and must meet at least quarterly. The

¹ http://www.pride-enterprises.org/compay_info_img/pdf/WorkerHistory-revised.pdf

² *Id.*

³ *Id.*

⁴ *Id.*

Council will sunset on June 30, 2009. On or before January 15, 2009, the Council must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives its findings and recommendations, which shall include, but are not limited to:

- How the current correctional work programs created under Part II of Chapter 946 operate.
- Whether the goals and objectives of the correctional work programs fulfill a mission of vocational training and rehabilitation for the inmates that participate in the correctional work programs.
- Whether the correctional work programs have reduced recidivism for participating inmates.
- Whether current work programs provide basic job skills that enable participating ex-offenders to achieve meaningful employment.
- Whether additional correctional work program opportunities could be created and the legal and financial considerations involved in creating such additional opportunities.
- What services or products are currently produced by the correctional work programs, and what additional services or products could be developed, which could or should be purchased by the state or other governmental bodies.
- Examine the operation of Prison Industries Enhancement (PIE) programs and how they operate and explore the use of PIE programs to establish a business relationship between correctional work programs and private industry.
- What are reasonable expectations for growth of correctional work programs, including the financial goal of limited or no expenditures of state funds for such growth.
- What are the legal and economic impediments that exist which discourage the growth of correctional work programs.
- What changes in current procedures or practices of the Department of Corrections can be modified, changed or otherwise incorporated in order to assist the corporation in expanding correctional work programs.
- Such other relevant matters relating to the above.

The bill requires AWI to provide staff and administrative support to the Council and provides that members of the Council must serve without compensation but are entitled to reimbursement for per diem and travel expenses pursuant to s. 112.061, F.S. The bill specifies that members must be reimbursed from the budget of the entity through which they serve.

Prison Industries Enhancement (PIE) Certificate

The Prison Industries Enhancement Certification Program (PIE program) is a federally legislated program that exempts state and local departments of corrections from normal restrictions on the sale of prisoner-made goods in interstate commerce. The Department of Justice, through its Bureau of Justice Assistance (BJA), administers the PIE program nationally and certifies that state prison industry programs meet all the necessary requirements to be exempt from the Federal restrictions on the sale and marketability of prisoner-made goods in interstate commerce. BJA has authorized PRIDE to be the PIE certificate holder for the State of Florida, responsible for the administration and continual compliance of the Florida PIE programs in conjunction with the Federal PIE Statute.⁵

Effect of the Bill

CS/HB 1213 provides that effective September 30, 2008, or at any date after September 30, 2008, as may be specified by DOC, PRIDE will relinquish the PIE certificate to the DOC. The bill specifies that DOC will have all powers necessary to comply with federal PIE statutes and the Bureau of Justice Assistance guidelines for certifying programs in accordance with the PIE certificate. Additionally, the bill requires PRIDE and any entity operating under the PIE certificate, in consultation with DOC, to deduct amounts to be defined by DOC, consistent with applicable federal law and guidelines, from an inmate's gross wages for taxes, room and board, family support and victim's compensation, and deposit such amounts in DOC's Correctional Work Programs Trust Fund.

⁵ PRIDE's 2006 Annual Report. See http://www.pride-enterprises.org/Annual_Report.aspx.

Workers' Compensation

Since 2004, the Division of Risk Management has considered PRIDE employees state employees for workers' compensation purposes and has provided PRIDE employees workers' compensation coverage.

Effect of the Bill

CS/HB 1213 effectively codifies current practice by providing that PRIDE employees are employees of the state for purposes of workers' compensation.

C. SECTION DIRECTORY:

Section 1. Creates the Correctional Work Program Council.

Section 2. Amends s. 946.523, F.S., relating to prison industry enhancement (PIE) programs.

Section 3. Amends s. 946.510, F.S., relating to insurance by Division of Risk Management.

Section 4. This bill takes effect July 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill requires AWI to provide staff and administrative support to the Council. In their analysis of the bill, AWI stated the following:

This would require the Agency for Workforce Innovation to hire a temporary staff person to perform these new duties for a period of one year. Federally funded resources could not be used to provide administrative support services for the Authority. General Revenue and state only funds can be used for this purpose. This may be a concern since Agency positions and facilities are federally funded.

Because the bill does not provide a specific job description for the administrative position, we have provided a range of hourly demands of a possible OPS position.

Budget Category	10 hrs * 50wk July 08 to June 09	20 hrs * 50wk July 08 to June 09	1,854 hours July 08 to June 09
<u>Other Personal Services</u>	\$11,519	\$23,037	\$39,676
GOC I (OPS) \$21.40 per hour			
HR DMS payment	\$131	\$131	\$131
Risk Management	\$648	\$648	\$648
Indirect Cost @ 13.1367%	\$1,598	\$3,111	\$5,283

**Cost allocation of
supervisory and
expense cost @ 8%**

\$921

\$1,843

\$3,174

Total Estimate

\$14,817

\$28,771

\$48,912

The bill effectively codifies current practice by providing that PRIDE employees are employees of the state for purposes of workers' compensation. In their analysis of the bill, the Department of Financial Services provided the following:

I. FISCAL IMPACT ON STATE AGENCIES:		(FY 08-09) Amount / FTE	(FY 09-10) Amount / FTE	(FY 10-11) Amount / FTE
A.	Revenues			
	1. Recurring:			
	Trust Fund:			
	General Revenue:			
	2. Non-recurring:			
	Trust Fund:			
	General Revenue:			
B.	Expenditures			
	1. Recurring			
	Trust Fund:			
	General Revenue:			
	2. Non-Recurring			
	Trust Fund:	\$107,000.	\$112,000.	\$118,000.
	General Revenue:			

The Division of Risk Management has covered PRIDE employees for workers' compensation coverage since FY 2004-2005. During FY 2006-2007 a total of \$114,356 was paid on workers' compensation claims for PRIDE employees, and the estimate for FY 2007-2008 is \$100,000.

For the period of FY 2004-2005 through FY 2007-2008 PRIDE has paid \$202,837 in casualty premiums to the State Risk Management Trust Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
None.

2. Expenditures:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments.

D. FISCAL COMMENTS:

The bill specifies that members of the Council must be reimbursed from the budget of the entity through which they serve. Consequently, there may be a fiscal impact on such entities.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require the counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:
None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No statement submitted.

The chair of the Safety & Security Council chose not to submit any further comments regarding the council substitute.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On April 9, 2008, the Safety & Security Council adopted one amendment to the bill and reported the bill favorably as a council substitute. The amendment removes the bill's original language. The amendment creates the Correctional Work Program Council, requires PRIDE to relinquish the Prison Industries Enhancement certificate to DOC, and specifies that PRIDE employees are employees of the state for purposes of workers' compensation. This analysis is drafted to the council substitute.