By Representatives O'Brien, Koster, Blalock, Cairnes, Regala, McMorris, Conway, Delvin, Thompson and Veloria

Read first time 02/21/97. Referred to Committee on Criminal Justice \& Corrections.

AN ACT Relating to the correctional industries board of directors; amending RCW 72.09.010, 72.09.015, 72.09.070, 72.09.080, 72.09.090, 72.09.100, 43.19.534, and 43.19.535; adding a new section to chapter 72.09 RCW; creating a new section; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 72.09 .010 and 1995 1st sp.s. c 19 s 2 are each amended to read as follows:

It is the intent of the legislature to establish a comprehensive system of corrections for convicted law violators within the state of Washington to accomplish the following objectives.
(1) The system should ensure the public safety. The system should be designed and managed to provide the maximum feasible safety for the persons and property of the general public, the staff, and the inmates.
(2) The system should punish the offender for violating the laws of the state of Washington. This punishment should generally be limited to the denial of liberty of the offender.
(3) The system should positively impact offenders by stressing personal responsibility and accountability and by discouraging recidivism.
(4) The system should treat all offenders fairly and equitably without regard to race, religion, sex, national origin, residence, or social condition.
(5) The system, as much as possible, should reflect the values of the community including:
(a) Avoiding idleness. Idleness is not only wasteful but destructive to the individual and to the community.
(b) Adoption of the work ethic. It is the community expectation that all individuals should work and through their efforts benefit both themselves and the community.
(c) Providing opportunities for self improvement. All individuals should have opportunities to grow and expand their skills and abilities so as to fulfill their role in the community.
(d) Linking the receipt or denial of privileges to responsible behavior and accomplishments. The individual who works to improve himself or herself and the community should be rewarded for these efforts. As a corollary, there should be no rewards for no effort.
(e) Sharing in the obligations of the community. All citizens, the public and inmates alike, have a personal and fiscal obligation in the corrections system. All communities must share in the responsibility of the corrections system.
(6) The system should provide for prudent management of resources. The avoidance of unnecessary or inefficient public expenditures on the part of offenders and the department is essential. Offenders must be accountable to the department, and the department to the public and the legislature. The human and fiscal resources of the community are limited. The management and use of these resources can be enhanced by wise investment, productive programs, the reduction of duplication and waste, and the joining together of all involved parties in a common endeavor. Since most offenders return to the community, it is wise for the state and the communities to make an investment in effective rehabilitation programs for offenders and the wise use of resources.
(7) The system should provide for restitution. Those who have damaged others, persons or property, have a responsibility to make restitution for these damages.
(8) The system should be accountable to the citizens of the state. In return, the individual citizens and local units of government must meet their responsibilities to make the corrections system effective.
(9) The system should not work against the interests of law abiding residents of the state of Washington and should hold their interests above the interests of offenders when those interests are in conflict.
(10) The system should meet those national standards which the state determines to be appropriate.

Sec. 2. RCW 72.09 .015 and 1995 1st sp.s. c 19 s 3 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
(1) "Base level of correctional services" means the minimum level of field services the department of corrections is required by statute to provide for the supervision and monitoring of offenders.
(2) "Contraband" means any object or communication the secretary determines shall not be allowed to be: (a) Brought into; (b) possessed while on the grounds of; or (c) sent from any institution under the control of the secretary.
(3) "County" means a county or combination of counties.
(4) "Department" means the department of corrections.
(5) "Earned early release" means earned early release as authorized by RCW 9.94A.150.
(6) "Extended family visit" means an authorized visit between an inmate and a member of his or her immediate family that occurs in a private visiting unit located at the correctional facility where the inmate is confined.
(7) "Good conduct" means compliance with department rules and policies.
(8) "Good performance" means successful completion of a program required by the department, including an education, work, or other program.
(9) "Immediate family" means the inmate's children, stepchildren, grandchildren, great grandchildren, parents, stepparents, grandparents, great grandparents, siblings, and a person legally married to an inmate. "Immediate family" does not include an inmate adopted by another inmate or the immediate family of the adopted or adopting inmate.
(10) "Indigent inmate," "indigent," and "indigency" mean an inmate who has less than a ten-dollar balance of disposable income in his or her institutional account on the day a request is made to utilize funds and during the thirty days previous to the request.
(11) "Inmate" means a person committed to the custody of the department, including but not limited to persons residing in a correctional institution or facility and persons released on furlough, work release, or community custody, and persons received from another state, state agency, county, or federal jurisdiction.
(12) "Privilege" means any goods or services, education or work programs, or earned early release days, the receipt of which are directly linked to an inmate's (a) good conduct; and (b) good performance. Privileges do not include any goods or services the department is required to provide under the state or federal Constitution or under state or federal law.
(13) "Representative from business" means a person nominated by one of the state-wide organizations representing varied business interests and appointed by the governor to the correctional industries board of directors.
(14) "Representative from labor" means a person nominated by a state-wide organization representing labor and appointed by the governor to the correctional industries board of directors.
(15) "Secretary" means the secretary of corrections or his or her designee.
(((14))) (16) "Superintendent" means the superintendent of a correctional facility under the jurisdiction of the Washington state department of corrections, or his or her designee.
(((15))) (17) "Work programs" means all classes of correctional industries jobs authorized under RCW 72.09.100.

Sec. 3. RCW 72.09 .070 and 1994 sp.s. c 7 s 535 are each amended to read as follows:
(1) There is created a correctional industries board of directors which shall have the composition provided in RCW 72.09.080.
(2) Consistent with general department of corrections policies and procedures pertaining to the general administration of correctional facilities, the board shall establish and implement policy for all inmate work programs. The policy for correctional industries programs is designed to:
(a) Offer inmates meaningful employment, work experience, and training in vocations that are specifically designed to reduce recidivism and thereby enhance public safety by providing opportunities for legitimate means of livelihood upon their release from custody;
(b) Provide industries which will reduce the tax burden of corrections and save taxpayers money through production of goods and services for sale and use;
(c) Operate correctional work programs in an effective and efficient manner which are as similar as possible to those provided by the private sector;
(d) Encourage the development of and provide for selection of, contracting for, and supervision of work programs with participating private enterprise firms;
(e) Develop and design correctional industries work programs;
(f) Invest available funds in correctional industries enterprises and meaningful work programs that minimize the impact on in-state jobs and businesses.
(3) Notwithstanding any other provision of law, the board of directors must ensure that no resident of Washington state has his or her employment jeopardized by the provision of employment opportunities for inmates.
(4) The board of directors shall at least annually review the work performance of the director of correctional industries division (( $\quad$ th) ) and must make appropriate recommendations to the secretary.
((4)) (5) The ((director of)) correctional industries ((division)) board of directors shall review and evaluate the productivity, funding, and appropriateness of all correctional work programs and report on their effectiveness to ((the board and to)) the secretary and to the legislature.
(((5))) (6) The board of directors shall have the authority to identify and establish trade advisory or apprenticeship committees to advise them on correctional industries work programs ((. The sectetary shall)) and to appoint the members of the committees.

Where a labor management trade advisory and apprenticeship committee has already been established by the department pursuant to RCW 72.62 .050 the existing committee shall also advise the board of directors.
(( (6))) (7) The board shall develop a strategic yearly marketing plan that shall be consistent with and work towards achieving the goals
established in the six-year phased expansion of class I and class II correctional industries established in RCW 72.09.111. This marketing plan shall be presented to the appropriate committees of the legislature by January 17 of each calendar year until the goals set forth in RCW 72.09.111 are achieved.
(8) Neither the department, an organization operating or managing an inmate work program, or other entity employing inmate labor within the state of Washington may contract with or employ a member of the board of directors during the member's time of service on the board, or for a period of two years from the termination of membership on the board of directors. A violation of this subsection (8) will result in termination of any agreement or contract between the violator and the department.

Sec. 4. RCW 72.09 .080 and 1993 sp.s. c 20 s 4 are each amended to read as follows:
(1) The correctional industries board of directors shall consist of nine voting members, appointed by the governor. Each member shall serve a three-year staggered term. Initially, the governor shall appoint three members to one-year terms, three members to two-year terms, and three members to three-year terms. The speaker of the house of representatives and the president of the senate shall each appoint one member from each of the two largest caucuses in their respective houses. The legislators so appointed shall be nonvoting members and shall serve two-year terms, or until they cease to be members of the house from which they were appointed, whichever occurs first. The nine members appointed by the governor shall include three representatives from labor, three representatives from business representing crosssections of industries and all sizes of employers, and three members from the general public.
(2) The board of directors shall elect a chair and such other officers as it deems appropriate from among the voting members.
(3) The voting members of the board of directors shall serve with compensation pursuant to RCW ((43.03.240)) 43.03 .250 and shall be reimbursed by the department for travel expenses and per diem under RCW 43.03.050 and 43.03.060, as now or hereafter amended. Legislative members shall be reimbursed under RCW 44.04.120, as now or hereafter amended.
(4) The secretary shall provide such staff $\boldsymbol{L}_{\perp}$ services, facilities, and equipment as the board shall require to carry out its duties.
(5) Prior to August 1, 1997, the governor must review the membership of the board of directors and replace a member who does not meet the current statutory requirements for membership on the board of directors. Prior to making an appointment of a representative from business or a representative from labor, the governor must request nominations from appropriate state-wide organizations.

Sec. 5. RCW 72.09 .090 and 1989 c 185 s 6 are each amended to read as follows:

The correctional industries account is established in the state treasury. The department of corrections shall deposit in the account all moneys collected and all profits that accrue from the industrial and agricultural operations of the department and any moneys appropriated to the account. Moneys in the account may be spent only for expenses arising in the correctional industries operations.

The division's net profits from correctional industries' sales and contracts shall be reinvested as directed by the board of directors, without appropriation, in the expansion and improvement of correctional industries. However, the board of directors shall annually recommend that some portion of the profits from correctional industries be returned to the state general fund.

The board and secretary shall request appropriations or increased appropriations whenever it appears that additional money is needed to provide for the establishment and operation of a comprehensive correctional industries program.

Sec. 6. RCW 72.09.100 and 1995 1st sp.s. c 19 s 33 are each amended to read as follows:

It is the intent of the legislature to consolidate and vest in the ((department)) correctional industries board of directors the power to provide for a comprehensive inmate work program and to remove statutory and other restrictions which have limited work programs in the past. For purposes of establishing such a comprehensive program, the legislature recommends that the ((department)) correctional industries board of directors consider adopting any or all, or any variation of, the following classes of work programs:
(1) CLASS I: FREE VENTURE INDUSTRIES. The employer model industries in this class shall be operated and managed in total or in part by any profit or nonprofit organization pursuant to an agreement between the organization and the department. The organization shall produce goods or services for sale to both the public and private sector.

The customer model industries in this class shall be operated and managed by the department to provide Washington state manufacturers or businesses with products or services currently produced or provided by out-of-state or foreign suppliers. The correctional industries board of directors shall review these proposed industries before the department enters into any agreements or contracts ((to provide such products or services)). The review shall include an assessment of the possibility that the provision of inmate employment may jeopardize the employment of $a$ Washington state resident and an analysis of the potential impact of the proposed products and services on the Washington state business community and labor market.

The department of corrections shall supply appropriate security and custody services without charge to the participating firms.

Inmates who work in free venture industries shall do so at their own choice. They shall be paid a wage comparable to the wage paid for work of a similar nature in the locality in which the industry is located, as determined by the director of correctional industries in accordance with rules adopted by the correctional industries board of directors. If the director cannot reasonably determine the comparable wage, then the pay shall not be less than the federal minimum wage.

An inmate who is employed in the class I program of correctional industries shall not be eligible for unemployment compensation benefits pursuant to any of the provisions of Title 50 RCW until released on parole or discharged.
(2) CLASS II: TAX REDUCTION INDUSTRIES. Industries in this class shall be state-owned and operated enterprises designed to reduce the costs for goods and services for tax-supported agencies and for nonprofit organizations. The industries selected for development within this class shall, as much as possible, match the available pool of inmate work skills and aptitudes with the work opportunities in the free community. The industries shall be closely patterned after private sector industries but with the objective of reducing public support costs rather than making a profit. The products and services
of this industry, including purchased products and services necessary for a complete product line, may be sold to public agencies, to nonprofit organizations, and to private contractors when the goods purchased will be ultimately used by a public agency or a nonprofit organization. Clothing manufactured by an industry in this class may be donated to nonprofit organizations that provide clothing free of charge to low-income persons. Correctional industries products and services shall be reviewed by the correctional industries board of directors before offering such products and services for sale ((もo private contractors)). The review must include an assessment of the possibility that the provision of the inmate employment may jeopardize the employment of a Washington state resident. The board of directors shall conduct a yearly marketing review of the products and services offered under this subsection. Such review shall include an analysis of the potential impact of the proposed products and services on the Washington state business community. To avoid waste or spoilage and consequent loss to the state, when there is no public sector market for such goods, byproducts and surpluses of timber, agricultural, and animal husbandry enterprises may be sold to private persons, at private sale. Surplus byproducts and surpluses of timber, agricultural and animal husbandry enterprises that cannot be sold to public agencies or to private persons may be donated to nonprofit organizations. All sales of surplus products shall be carried out in accordance with rules prescribed by the ((secretary)) correctional industries board of directors.

Security and custody services shall be provided without charge by the department of corrections.

Inmates working in this class of industries shall do so at their own choice and shall be paid for their work on a gratuity scale which shall not exceed the wage paid for work of a similar nature in the locality in which the industry is located and which is approved by the director of correctional industries in accordance with rules adopted by the correctional industries board of directors.

Subject to approval of the correctional industries board, provisions of RCW 41.06.380 prohibiting contracting out work performed by classified employees shall not apply to contracts with Washington state businesses entered into by the department of corrections through class II industries.
(3) CLASS III: INSTITUTIONAL SUPPORT INDUSTRIES. Industries in this class shall be operated by the department of corrections. They shall be designed and managed to accomplish the following objectives:
(a) Whenever possible, to provide basic work training and experience so that the inmate will be able to qualify for better work both within correctional industries and the free community. It is not intended that an inmate's work within this class of industries should be his or her final and total work experience as an inmate.
(b) Whenever possible, to provide forty hours of work or work training per week.
(c) Whenever possible, to offset tax and other public support costs.

Supervising, management, and custody staff shall be employees of the department.

All able and eligible inmates who are assigned work and who are not working in other classes of industries shall work in this class.

Except for inmates who work in work training programs or in employment where noninmate labor would be subject to chapter 39.12 RCW , inmates in this class shall be paid for their work in accordance with an inmate gratuity scale. The scale shall be adopted by the ((secretary of corrections)) correctional industries board of directors.
(4) CLASS IV: COMMUNITY WORK INDUSTRIES. Industries in this class shall be operated by the department of corrections. They shall be designed and managed to provide services in the inmate's resident community at a reduced cost. The services shall be provided to public agencies, to persons who are poor or infirm, or to nonprofit organizations.

Inmates in this program shall reside in facilities owned by, contracted for, or licensed by the department of corrections. A unit of local government shall provide work supervision services without charge to the state and shall pay the inmate's wage.

The department of corrections shall reimburse participating units of local government for liability and workers compensation insurance costs.

Inmates who work in this class of industries shall do so at their own choice and shall receive a gratuity which shall not exceed the wage paid for work of a similar nature in the locality in which the industry is located.
(5) CLASS V: COMMUNITY SERVICE PROGRAMS. Programs in this class shall be subject to supervision by the department of corrections. The purpose of this class of industries is to enable an inmate, placed on community supervision, to work off all or part of a community service order as ordered by the sentencing court.

Employment shall be in a community service program operated by the state, local units of government, or a nonprofit agency.

To the extent that funds are specifically made available for such purposes, the department of corrections shall reimburse nonprofit agencies for workers compensation insurance costs.

NEW SECTION. Sec. 7. A new section is added to chapter 72.09 RCW to read as follows:

In establishing the comprehensive inmate work program provided for in RCW 72.09.100, the correctional industries board of directors shall:
(1) Ensure that paid inmate employment will not result in the displacement of employed workers within Washington state, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in Washington state, or impair existing contracts for services in Washington state, or negatively impact the opportunity for persons under the age of twenty-one or on public assistance to gain entry level employment;
(2) Provide that, in employment where noninmate labor would be subject to chapter 39.12 RCW , the wage scale adopted for inmate labor is comparable to that required by law for noninmate labor.

Sec. 8. RCW 43.19 .534 and 1993 sp.s. c 20 s 1 are each amended to read as follows:

State agencies, the legislature, and departments shall purchase for their use all goods and services required by the legislature, agencies, or departments that are produced or provided in whole or in part from class II inmate work programs operated by the department of corrections through state contract. These goods and services shall not be purchased from any other source unless, upon application by the department or agency ( (: (1)) the department of general administration finds that: (1) The articles or products do not meet the reasonable requirements of the agency or department, (2) the articles or products are not of equal or better quality, or (3) the price of the product or service is higher than that produced by the private sector. ((However,
the exiteria contained in (1), (2), and (3) of this section for purchasing goods and sexvices from sources other than corxectional industries do not apply to goods and services produced by correctional industries that primarily replace goods manufactured or services obtained from outside the state.) ) The ((department of corrections)) correctional industries board of directors and the department of general administration shall adopt administrative rules that implement this section and ensure that no Washington state resident's employment is jeopardized by the provision of employment opportunities to inmates.

Sec. 9. RCW 43.19 .535 and 1981 c 136 s 15 are each amended to read as follows:

Any person, firm, or organization which makes any bid to provide any goods or any services to any state agency ((shall)) may be granted a preference over other bidders if: (1) The goods or services have been or will be produced or provided in whole or in part by an inmate work program of the department of corrections ((and))i (2) an amount equal to at least fifteen percent of the total bid amount has been paid or will be paid by the person, firm, or organization to inmates as wages; and (3) all other bid requirements, including quality of product and timeliness of delivery, are met to the satisfaction of the agency. The preference provided under this section shall be equal to ((ten)) five percent of the total bid amount. The correctional industries board of directors and the department of general administration must adopt rules that implement this section and ensure that no Washington state resident's employment is jeopardized by the provision of employment opportunities to inmates.

NEW SECTION. Sec. 10. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 1997.

NEW SECTION. Sec. 11. The governor, the secretary of corrections, and the correctional industries board of directors may take those steps as are necessary to ensure that this act is implemented on its effective date.

NEW SECTION. Sec. 12. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

END

