

# PRISON INDUSTRIES IMPROVEMENT AND FEDERAL CORRECTIONAL EDUCATION ASSISTANCE

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## HEARING

BEFORE THE

SUBCOMMITTEE ON COURTS, CIVIL LIBERTIES,  
AND THE ADMINISTRATION OF JUSTICE

OF THE

COMMITTEE ON THE JUDICIARY  
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

**H.R. 3362 and H.R. 3684**

PRISON INDUSTRIES IMPROVEMENT AND FEDERAL CORRECTIONAL  
EDUCATION ASSISTANCE

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# PRISON INDUSTRIES IMPROVEMENT AND FEDERAL CORRECTIONAL EDUCATION ASSISTANCE

THURSDAY, AUGUST 2, 1984

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON COURTS, CIVIL LIBERTIES  
AND THE ADMINISTRATION OF JUSTICE  
OF THE COMMITTEE ON THE JUDICIARY,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 9:45 a.m., room 2226, Rayburn House Office Building, Hon. Robert W. Kastenmeier (chairman of the subcommittee) presiding.

Present: Representatives Kastenmeier, DeWine, and Sawyer.

Staff present: Michael J. Remington, chief counsel; Gail Higgins Fogarty, counsel; Joseph V. Wolfe, associate counsel, and Audrey Marcus, clerk.

Mr. KASTENMEIER. In the interest of time, the Chair will call the meeting to order on the basis of members who will shortly be here, including Mr. DeWine of Ohio, to whom I am indebted.

Today the Subcommittee on Courts, Civil Liberties and the Administration of Justice will examine two legislative proposals, one relating to prison industries, H.R. 3362, and the other relating to prison education, H.R. 3684. It is particularly timely that we review these legislative proposals as well as the current situation in Federal, State, and local correctional systems. The Chief Justice, Warren Burger, and many other prominent leaders, have encouraged us to examine these issues and to try to improve prison education and prison work. All correctional systems are overcrowded, with over 400,000 persons in Federal and State prisons, and over 200,000 persons in jails. The Federal Bureau of Prisons is at an all-time high of over 32,000 prisoners. And while the systems are overcrowded, there is also a great deal of idleness in these systems, particularly at the State and local levels, although the rates will certainly vary from State to State.

It has been estimated that only approximately 10 percent of all State prisoners are either employed full time or are in classes. In the Federal system, the Bureau of Prisons recently announced that approximately 37 percent of those in work status—that is, basically able to work, and not in segregation—are employed in prison industries. A number of inmates in the Federal system are attending classes or performing maintenance and nonindustry jobs, of course.

A recent national profile of the prison population released by the U.S. Department of Education indicates that prisons have a high

proportion of inmates who are illiterate. Only 10 percent have completed high school; of the prison population, mentally retarded inmates constitute about 10 percent, and learning disabled inmates, about 32 percent. Many inmates have poor employment histories, and about 40 percent were unemployed at the time of arrest.

Society has a stake in directing these offenders toward programs providing basic education and marketable skills. Ninety-five percent will return to society, and even those inmates who serve longer terms and may never be released can gain from education and training, which can reduce tensions and violence in prisons. Some work programs offer opportunities for prisoners to help, visit and support their families, to assist in some payment for taxes or for their room or board, or to make restitution to victims.

The purpose of the hearing will be to explore two legislative initiatives aimed at improving the situation, and what problems, if any, are associated with them. For example, we must ensure that prison industries do not displace jobs which law-abiding citizens have or compete unfairly with existing industries.

H.R. 3684, introduced by the gentleman from Michigan, Mr. Conyers, who is chairman of the Subcommittee on Criminal Justice, would infuse the correctional education system with needed funds up to \$25 million a year over 3 years, primarily to States based on their incarcerated populations. H.R. 3362, introduced by the gentleman from Florida, Mr. McCollum, my fellow colleague on this committee, would remove many of the restrictions on current prison industries at the State and Federal level and would set specific conditions such as payment of a prevailing wage for such industries.

I am pleased that the hearing will address both issues, since education and work programs are very interrelated. In fact, the Federal Bureau of Prisons has recently merged their educational work programs under prison industries.

We have an impressive list of witnesses, as well as written statements from other parties, including Control Data, the American Traffic Services Association, the States of New York, Michigan, and Georgia.

Mr. KASTENMEIER. Our first witness is the sponsor of H.R. 3684 and a leader in the field of corrections, the gentleman from Michigan, Mr. Conyers. I would like to call our distinguished colleague forward and would like to commend him on his initiative in this field. We are anxious to hear what you have to say.

#### TESTIMONY OF HON. JOHN CONYERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. CONYERS. Good morning, Mr. Chairman, and my colleagues. I am very delighted to be here to join with my dear friend on my own subcommittee, Mr. McCollum, who has on his own initiative been working on this same problem.

I think this is a great day for celebration for those of us who have joined in that small but growing lobby of examining the fate of those who are imprisoned in the Federal and State institutions. I noticed that the Federal Corrections Director, Mr. Norm Carlson, is also here, with an audience full of people who have been working very diligently in this field.

I want to commend you, Mr. Chairman, for holding these hearings and for your own concerns. As a member of your subcommittee years ago, I took the most extensive tour of prisons in this country, back in the days with William Fitzryan and now a Federal judge from Illinois, Abner Mikva, then a member of the committee, and many other distinguished members of the committee. I think Tom Railsback and others were there. We toured from one end of the country to the other. That actually stimulated the deep concern that I brought to the Judiciary Committee about this.

So I was delighted when Osa Coffey and others approached me about joining with Senator Claiborne Pell in promoting what now is H.R. 3684. It is an uncomplicated, straightforward piece of legislation that establishes an education program for State prisons, to be administered and funded by the Department of Education to State education agencies. State education agencies in each State would then apply these funds apportioned on the basis of inmate population for the following uses: for basic, secondary and postsecondary education, vocational and job training, or the upgrading of such existing educational programs. In other words, this would be a Federal way of aiding education and vocational job training in the States.

In essence, H.R. 3684 would initiate modest moneys from Federal Government, through the Department of Education, to the State educational agencies, then going into the prison or correction system at the State level. The reason for that is that so very little of prison and correctional money ever gets to the education phase, and what we were trying to do is use a different route. We think that this kind of unique overlap would actually support the development and upgrading of the existing programs.

H.R. 3684 it would authorize \$25 million each of 3 years, a rather small amount, but it would be more or less a test of how effective this could be. So I would urge that this be considered, and there will no doubt be others speaking about it.

I would like to just supplement the fine introduction that you made that puts a basis behind the concerns that I and Mr. McCollum bring to your subcommittee today. First of all, I think more and more people are getting concerned about the fact that there are 600,000 inmates in our Federal, State, and local institutions, that there are some 2.2 million people that are under correctional supervision at one time or another throughout the year.

When I was on another subcommittee, the Subcommittee on Crime, I held hearings that examined the relationship between crime and unemployment. Those hearings gave me another reinforcement to the ones I sustained with your committee, and that is that the lack of job experience, the absence of employable skills, were definitely linked to the persistent criminal behavior that goes on in this country. It seemed to me that when I saw what Senator Pell was doing, I was very pleased to join in with him.

The fact of the matter is that 95 percent of all inmates return to society after 2 or 3 years, even though 60 percent of them wind up as recidivists in some time or other. We are turning out, then, people who are totally unprepared to face society. Half of the people that are imprisoned are black, a figure far beyond their percentage in the population. Sixty-three percent of the people that

are incarcerated have never finished high school. Right now we are on a roll. More and more people are being incarcerated. Three hundred and fifty Americans, 1 out of every 350 Americans, are behind bars. This is one of the highest lock-up rates of any society.

So unless we begin to examine what we are doing with people behind bars, what we are doing with that incredible amount of time they have, we are probably going to continue to experience the kinds of problems that we're all familiar with, that are now troubling even our Federal institutions. The fact of the matter is that the States, on an average, spend less than 5 percent of their correctional budgets on inmate education. Less than one-third of the population in the prisons receive any kind of educational program, and only about 12½ percent of them are involved in vocational programs. So we think we are moving in exactly the right direction and it seems that what the Education Commission of the States reported in 1976 is more true than ever before. It is obvious that, to the extent that offenders cannot use knowledge and skills obtained from the normal society, they will use the knowledge and skills obtained from deviant cultures to cope in any way that they can.

It is an open secret, of course, that most of our correctional facilities are open classrooms for the propagation of criminal learning. I think this is some small way to turn that aside. The cost of construction of cells and the cost of housing prisoners we all know can run from \$150,000 for capital construction cost to somewhere between \$16,000 to \$40,000 to house each inmate annually. Somehow or other I think, with the proposals before this subcommittee, we can begin to modestly turn that around today. The number of deaths, 110 homicides and 138 suicides in 1983 alone, are beginning to disturb a number of us.

So I would like to conclude with just pointing out a number of studies that have demonstrated that correctional education, particularly that which is vocationally oriented, leads to tangible results. We had an inmate education study in Texas and found that the recidivism rate among offenders enrolled in their education program was half the rate of those who didn't participate. In Virginia's Correctional Center for Women, we found that the recidivism rate diminished in direct relation to the extent of the training and education that the inmate received. We found that whereas the general inmate population in that institution had a 34-percent recidivism rate, those who finished the business education program, the particular one going there, had only a 4-percent recidivism rate. Finally, in Ohio, a study indicated that the longer an inmate is involved in education training the less likely he or she is able to become a repeat offender.

So I join, Mr. Chairman and members, with this growing but small lobby of Congressmen, members of the Supreme Court, and a cadre of very dedicated professionals across the country who have impressed me with the fact that we could make an important contribution in the way that these two measures approach this subject.

I was very pleased when Chief Justice Burger joined us at a conference in which Senator Pell and a number of others, many of whom are here in this room, in which we examined this problem in terms of correctional education. So I hope that this will receive the

careful and favorable scrutiny of my colleagues here on this very important subcommittee.

Thank you very much for the opportunity to join you this morning.

[The statement of Mr. Conyers follows:]

TESTIMONY OF CONGRESSMAN JOHN CONYERS, CHAIRMAN, HOUSE JUDICIARY  
SUBCOMMITTEE ON CRIMINAL JUSTICE

Mr. Chairman, Members of the Subcommittee, I am honored to appear before you today to present my views on H.R. 3468, the Federal Correctional Educational Assistance Act.

All of us are brought together here today out of a shared concern for a sorely neglected group of Americans—more than 600,000 inmates of Federal, State and local correctional institutions and the even larger group estimated at 2.2 million individuals who are at one time or another under some form of correctional supervision.

The Subcommittees on Crime and Criminal Justice that I have chaired have held a number of hearings in the past several years on the relationship between crime and unemployment. The record of these hearings has forcefully demonstrated the recurring link between unemployment, the lack of job experience and the absence of employable skills on the one hand, and the persistence of and increase in criminal behavior on the other. The failure by and large of Federal, State and local institutions to make available to inmates adequate correctional education, figures prominently in this equation.

The Nation has a great stake in the future of its inmate population since 95 percent of all inmates return to society after serving an average sentence of two to three years. Yet, tragically, some 60 percent of released offenders wind up back in the jails and prisons.

The great majority of inmates are male, poor, undereducated and lacking in any substantial job skills or work experience. Forty seven percent are black. Sixty three percent never finished high school. Nearly half were unemployed at the time of their arrest. A majority are learning disabled. Currently, one in every 350 Americans is behind bars—one of the highest incarceration rates in the world. The tendency to simply lock up more and more individuals without giving them the opportunity to develop marketable skills is exceedingly costly and does little to ameliorate the long term problems of crime.

Yet, correctional institutions offer few opportunities for vocational education, job training or for the building marketable skills. Very few institutions offer transitional services that prepare inmates to re-enter society in a productive capacity. On the average, the States spend less than five percent of their correctional budgets on inmate education. As a result, less than one-third of the inmate population is engaged in educational programs, less than 20 percent are employed in any productive capacity and only 12.5 percent are involved in vocational programs.

As long as a society refuses to define the goals of incarceration in terms of rehabilitation, the existing conditions of idleness—which breed rehabilitation and prison violence—will only worsen. It is commonly acknowledged by correctional officials that prisons today serve as little more than open classrooms for the propagation of criminal learning. What the Education Commission of the States reported in 1976 holds true today: "It is obvious that to the extent that offenders cannot use knowledge and skill obtained from the normal society, they will use knowledge and skill obtained from deviant cultures to cope whatever way they can."

At the present time, the correctional system that embraces 561 State prisons, 49 Federal facilities, 3,500 local jails and 2,600 juvenile retention centers, is costing in excess of \$8 billion annually. It can cost between \$16,000 and \$40,000 to house an inmate annually and as much as \$150,000 to construct a new cell. The rate of growth in inmate population and in correctional expenditures is truly astounding. \$6 million worth of construction is already underway or on the drawing boards. Yet, what are we getting in return for the massive commitment of financial resources?

Prison overcrowding is becoming increasingly dangerous. Violence in our correctional institutions, including an upsurge in rioting, is on the rise. All indications are that these institutions are ticking time bombs. In 1983 alone, there were 110 homicides and 138 suicides occurring in the prisons overcrowding, combined with inactivity and boredom prevailing in most institutions, creates this explosive situation.

I am here today to urge a relatively modest commitment of additional resources to train and educate inmates, as is provided for in H.R. 3468.

The glaring gap between inmate needs and resources has not gone unnoticed by the highest ranking law officials in this country. Chief Justice Warren Burger has long championed correctional education as a "common sense application of the concept of society's collective self-interest". Two years ago, responding to the findings of the National Advisory Council on Vocational Education, the Chief Justice warned that, "without any positive change including learning marketable job skills, a depressing number of inmates \* \* \* will return to a life of crime after their release. One small but practical step \* \* \* is the introduction of mandatory educational and vocational programs for all inmates.

With particular reference to H.R. 3468, the Federal Correctional Education Assistance Act, numerous studies have demonstrated that correctional education, particularly vocationally-oriented training, leads to tangible, positive results. A study of inmate education in Texas, for example, found that the recidivism rate among offenders enrolled in the educational program was half the rate of those who did not participate. A study of Virginia's Correctional Center for Women found that the recidivism rate diminished in direct relation to the extent of training and education that inmate had received. Whereas the general inmate population in that institution had a repeater rate of 34 percent, the inmates who had completed a business education program had a rate of only 4 percent. An Ohio study indicated that the longer an inmate is involved in education and training, the less likely he or she is to become a repeat offender. These studies also emphasize the importance of the quality and content of correctional education.

Programs that offer inmates practical marketable skills and the opportunity to employ them, have proved to be the most successful. The National Center for Research in Vocational Education has identified the Somers Correctional Institution in Connecticut as having one of the most successful vocational education programs. Upon release, 75 percent of its inmate participants found employment. During their enrollment, motivation and achievement dramatically improved.

To complement this training, it is also essential that inmates be afforded the actual opportunity to work and apply the skills. The opportunity for inmates to be productive, engenders a positive sense of accomplishment and relieves the federal largesse of some of the financial burden.

While I am confident that support for these pieces of legislation will continue to grow, it is essential now to take steps to reverse the current situation in our jails and prisons and begin to commit solid resources to Federal, State and local correctional institutions for the training, education and the opportunity to apply job skills. Enough models and tested programs exist to guide the implementation of these federal programs.

It is time to acknowledge that the goal of merely segregating offenders from society and ignoring their future needs upon release is neither viable nor desirable. It is time for Congress to make a solid commitment to inmate rehabilitation with the expectation that upon release the great majority of inmates will have acquired the skills, training and knowledge that will permit them to be gainfully employed and lead productive lives in society.

Mr. KASTENMEIER. Thank you for that statement in support of this important initiative that you have taken.

Does the fact that you would invest the money in State departments of education rather than State departments of corrections indicate some lack of confidence in how State departments of corrections might apply those proceeds for educational purposes?

Mr. CONYERS. To be candid, it does touch upon that, Mr. Chairman. But the fact of the matter is that we have seen moneys that are sent over to corrections at the State level which get gobbled up in the larger pot. There is usually no one else around to supervise or oversee the administration. It really just doesn't get to the kinds of programs of teaching people to read, getting them at least to a high school level, moving them into vocational education opportunities.

I think there would be an additional incentive if the State education agency at least were looking into it and cooperating to that extent. It would merely be an oversight features and I don't think it would unduly offend the State correctional people.



Mr. KASTENMEIER. You and I, along with some of our other colleagues in years past, perhaps as long as 10 or 12 or 15 years ago, made a number of prison visits throughout the country, to State institutions and jails, as well as to Federal facilities. Of course, we know that statistically the population has grown, both in the State and Federal systems in terms of inmate population.

Do you have any feel for whether educational opportunities or educational programs in State institutions have deteriorated, have maintained the same pace, or have they increased in terms of availability and effectiveness with respect to inmates?

Mr. CONYERS. That's an important consideration. The most that I can say about that—because I know you have some good witnesses coming on—is there has been increased concern at both the Federal and State level. Of course, the Federal system has always been the leader, for reasons that seem to me pretty easy to understand. It is a central unit, where the quality of State prisons varies shockingly from one end of this country to the other. But to what extent at the State level this concern and increased discussion has materialized, I think we would probably have to have it examined on a State-by-State basis.

I know in the State of Michigan we have had a lot of problems in our State prison system that required even Federal intervention, as my colleague from Michigan, Mr. Sawyer, is very well aware. But I am not here to try to venture to resolve how I think the educational and vocational training is going along in the various States. I know that they desperately need this modest infusion of \$25 million to be spread among several hundred State correctional institutions. That would only begin to deal with it. We have 561 State prisons, 3,500 local jails, and 2,600 juvenile detention centers. We would be only trying this out to see if it worked, and to that extent, I think this could be called a pilot project.

Mr. KASTENMEIER. Being realistic, frankly, this money won't go very far.

Let me ask you about your formula, which I think provides a \$100,000 minimum for any State. Then the amount would increase depending on the size of the prison population in the State which seems on the surface eminently rational. Nonetheless, I am sure there will be the criticism which you're aware of that the formula tends, therefore, to reward States with large or larger prison populations and the larger the population subsequently would be, the more money they would get under this program. It's almost as though it were an incentive.

Do you see any relationship at all?

Mr. CONYERS. Well, I'm not going to laugh at that argument because we can't politely dismiss any arguments that might be raised. Obviously, a State housing their citizens who have violated the law, at incredible cost, would hardly be increasing the population to benefit from any trivial, petty largess that would come from a measure like this, or any other similar measures. It would be literally inconceivable that there would be some gain.

This is a burden that each State has to bear and that the Federal Government has to bear with its citizens being locked up. They are counterproductive in every sense of the word. We know the old homily that you could send a person to a full-time program at Har-

ward, give them psychiatric treatment and the rest at the cost we are bearing to house these inmates under some pretty abominable conditions. So I don't suspect that that would be an issue to deal with.

Mr. KASTENMEIER. One other question. In section 3 you include within the definition of "criminal offender" an individual accused of a crime. That would be an individual presumably in jail in a holding situation.

Do you think such offenders would be incarcerated for a sufficiently long period of time to be able to program and benefit from such an educational program?

Mr. CONYERS. That raises a good question. Hopefully, those who are there for short periods of time would never be put in the program. I think common sense would dictate that. However, you and I know that there are times when people are held in the Wayne County Jail sometimes for periods of 12 months awaiting trial, for reasons of court congestion and bringing the witnesses and getting all the evidence and all the other reasons that cause it.

Now, for example, if there were a young offender who could not meet bail, who was clearly going to be there a while, I think getting them started in such a program, even though they didn't complete it, might be helpful in keeping them from going wrong. So that was, I think, the kind of thinking involved there.

Mr. KASTENMEIER. Thank you. I yield to the gentleman from Michigan, Mr. Sawyer.

Mr. SAWYER. Thank you, Mr. Chairman.

One thing I'm a little concerned about, is that while you have a provision in the bill that the money could not be used to displace any non-Federal money that might be coming into the system, wouldn't it be more effective to have a matching fund requirement?

Mr. CONYERS. We could have a matching fund requirement, and we thought about that, Mr. Sawyer. The problem might be, though, that the very States that need the help because they're short of money or perhaps don't look favorably upon these kind of rehabilitation programs might elect not to bring forward the matching money. Of course, that would probably continue to aggravate the problem exactly in those areas where they need it most. So I would think a matching fund here would probably be a disincentive to States that might need it the most.

Mr. SAWYER. Of course, on needing the funds, I have a letter here from Perry Johnson, the Director of the Michigan Department of Corrections, and he very strongly supports the bill. He says that decreasing state funds cannot adequately meet the total requirement. Michigan has a \$50 million surplus and we're running between \$150 to \$200 billion in deficits. Sometimes I wonder who has the more adequate funds, the States or the Federal Government. I don't know of any States that are running big deficits.

I'm in favor of the program. We have a fairly extensive program in Michigan, as you probably are aware, run by the universities and community colleges and so forth in the various prisons. I may say, though, that I was rather startled early on when I came to Washington, to hear some expert witnesses on one of our subcommittees say that which I had never questioned, and that is that un-

employment and crime relate to each other. Apparently the statistics don't establish that.

Mr. CONYERS. Oh, it's highly debatable, I grant you that.

Mr. SAWYER. It surprised me. I would have thought there was no question about it.

Mr. CONYERS. Right.

Mr. SAWYER. There apparently is.

Mr. CONYERS. No, they don't run parallel at all. But I was convinced by the witnesses that I heard a few years back—and I have tried to stay in touch with the subject—that the relationship between unemployment, poverty, and crime, while it may not parallel the unemployment rates precisely, the notion of joblessness and deprivation which do accompany that statistic frequently finds a corollary.

Mr. SAWYER. The only reservation I have is that the infusion of Federal money tends to displace or dry up State money, or divert it to somewhere else. I'm just not sure, that I might not prefer to see a matching fund requirement of some type, because despite the statement that it should not displace other source money, I'm not convinced that that's adequate.

Mr. CONYERS. You know, what I'm hoping will happen is that the support groups for this will be able to get behind the States and have them bring it forward. I mean, I can't look to the Federal Government for very much larger amounts than this in reality in face of the Federal budget position and the attitudes that are developing nationally and in the Congress around that. So I don't ever see this as one of those "foot in the door" deals, where it's going to continue to grow and grow. I mean, I don't think there's that kind of support for prison reform yet in this country. So there will probably be a time when they will have to "fish or cut bait", that either these programs catch on and people support it at the State and local level, or they don't. I'm hoping that we will be able to make that connection and that they will be able to pick up the ball from there. I would like to give it a shot and see if it happens that way.

Mr. SAWYER. Well, as certainly all of us from Michigan know—the prisons are not very popular with the public as far as support or improvements.

Mr. CONYERS. Absolutely not.

Mr. SAWYER. We proposed a 50-cent tax by referendum to try and improve the prisons and it went down in flames by about a 2 to 1 or 3 to 1 margin. Then, of course, we had prison riots resulting from some of the problems that weren't corrected. Of course, the public gets very upset about that, too, but while they may vote money for other programs they just don't seem to want to approve it for any kind of prison improvement.

Mr. CONYERS. And then they have to go through the release mechanisms.

Mr. SAWYER. That's right, and they don't like that, either.

Mr. CONYERS. No. But Perry Johnson didn't like the Federal judgments that they were confronted with, which is why most of them do it anyway. But you're right. The Michigan experience, as you know is indicative of the natural error. People don't feel sympathetic toward lawbreakers who are now serving time. It's tough and it's very easy for them to take the short view of "let them

suffer; whatever they get is just deserts, no matter what goes on behind bars. You asked for it and you should have known."

Of course, the problem is that we all face it on the other end when you get something like a 60-percent recidivist rate and a training school for crime. So I think, to the extent that you might see fit to join me in this really tiny program, that it might be worth a try. I would be the first one to admit if there are any problems, or if it becomes a sopping sponge for huge Federal amounts of moneys. I don't think there's enough support for that to happen in the near future, even with you not in the next Congress. That's just not going to happen. Maybe as an outside advocate we can build up some support and monitor this thing. I sincerely hope that that can be done.

Mr. SAWYER. Thank you.

I yield back, Mr. Chairman.

Mr. KASTENMEIER. In which case the committee thanks our colleague.

I might just parenthetically say that his subcommittee just produced a work on sentencing which will be before the full Committee and which obviously is interrelated to this.

Mr. CONYERS. Very much so.

Mr. KASTENMEIER. I note that in your prepared statement—which will be made a part of the record, without objection—you do make reference to a couple of matters which are sentencing in character, so that to the extent his bill or the committee's bill whatever emerges it will undoubtedly reflect on the bills before us here in this subcommittee in terms of sentencing. Again, I commend you for taking this initiative.

I notice that Senator Pell is in the room and he is the principal sponsor in the Senate on this bill.

Mr. CONYERS. I brought it to his attention. He wasn't sure if his schedule would allow him to join us, but I am very delighted that he could come forward and join myself and Mr. McCollum in these hearings today.

I want to commend you. Your subcommittee has been going at a high clip all year long. We're just glad that we can get in the door, even at this part of the session, to get this introduced into the discussion among the many other criminal justice reforms that we have. I thank the chairman very much.

Mr. KASTENMEIER. Now I would like to call our colleague, Congressman Bill McCollum, the gentleman from Florida. He will need to rush off to another committee. We did, as a matter of courtesy, ask if Senator Pell would desire to go forward at this time, but he was gracious enough to permit us to receive testimony first from our colleague.

We are pleased to have you here, particularly because your bill relates on all fours with the subject of a number of national conferences on prison employment and factories in prisons in large measure sponsored by the Chief Justice of the United States. It is perhaps the only measure which is as relevant to that subject which is pending in the Congress. So we are very anxious to hear from our colleague.

TESTIMONY OF HON. BILL McCOLLUM, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF FLORIDA

Mr. McCOLLUM. Mr. Chairman, I want to thank you very much for the opportunity to appear today, and I appreciate the courtesy of Senator Pell in yielding to me, as I do have a mark-up that I need to go to.

I would like to submit my statement for the record and try to summarize as best I can.

Mr. KASTENMEIER. Without objection.

Mr. McCOLLUM. I do commend the chairman for calling the hearing today on the prison industries issue, as well as on the other legislation being addressed by my colleagues because I have known the importance of it. The chairman and I shared opportunities in the past few months to visit with the Chief Justice and to attend conferences to discuss the issue of prison industries and, how indeed, to get truly productive prison industries. So it is heartening to have the opportunity to fully discuss this in front of your subcommittee.

If there is anything that Congress can do to stimulate and facilitate the development of prison industries, I think it's incumbent upon us to do so. It is clear to me that truly productive prison industries can be a great benefit to prisoners, prison officials, and taxpayers, but currently we don't have very many truly productive prison industries.

Inmates can benefit from a well-run prison industry in several ways. The most obvious is where an inmate can learn a skill or learn a trade which hopefully can be put to use when he's released from prison. Also, an inmate can earn wages, which can be put aside to help his family or make a nest egg for his protection when he is released from prison. In addition to that, his morale and attitude can be significantly improved.

Idleness will be reduced by a strong prison industry system which works to the direct benefit of prison officials. In recent years we all know there has been a substantial increase in the number of prisoners and inmates, and the accompanying inmate idleness has been particularly acute at the state level. Idleness can be both dangerous and counterproductive and needs to be replaced by training and work. Many problems associated in this regard can be resolved favorably to both the prisoner and the prison officials by a good, well-worked prison industry system.

I am not going to quote from the Chief Justice, but it is in my text. As we know, he is very strongly in favor of this because of the humanitarian nature of the prison industries and because it will allow a prisoner to get some self-esteem and be productive for everyone concerned.

I also think that we should not overlook the fact that a well-managed, profitable prison industry can also directly save the taxpayers money. While some prison industries, especially in our Federal prison system, have long produced products for consumption by government agencies at a cost often well below what the agency would have to pay on the outside market, the ideal prison industry is one that produces competitively priced products which are sold on the open market, earning enough for the industry to pay rea-

sonable wages to the inmates involved in the program from which may be deducted a fair amount to go towards the cost of inmates' care and new or improved prisons and prison facilities. In some cases, the actual construction of prisons may be done by a prison industry.

We can't do all of this. It is very clear to me, from the many meetings I have attended on this subject, that it is going to require a great deal of concerted effort by private industry, by prison officials, by those who are interested citizens, by labor and everyone else concerned.

But we do have some laws that are impediments to the development of these prison industries, to the development of truly productive ones that can serve the prisoners, the prison officials, and the taxpayers. For many years Federal law has prohibited the sale of prison-made goods in competition with private industry on the open market. While the sale of prison-made goods has been allowed to State and Federal agencies, the law has barred the shipment of prison-made goods across state lines as a part of sale in interstate commerce. Federal prison industries have been prohibited from the sale of their industry goods on the open market.

Obviously, the scope of prison industries is severely limited by these restrictions. It is also obvious that any efforts to lure private industry into some partnership to make a prison industry work could well be hampered by these Federal prohibitions.

In 1979, Congress amended the laws to provide an exemption from these prohibitions for seven pilot projects designated by the Administrator of the Law Enforcement Assistance Administration. In order to qualify, as the chairman and the committee I am sure well knows, the prison industry must pay wages to prisoners who voluntarily agree to work in the industry at a rate that is not less than that paid for work of a similar nature in that locality in which the work is performed. Such wages are subject to deduction not exceeding 80 percent of gross wages for taxes, reasonable charges for room and board, allocations for support of family, and contributions to a fund to compensate victims of crime. It is my understanding that these pilot projects have been sanctioned, that the programs generally have been working fairly well, though only time is going to tell how successful they are.

My bill, H.R. 3362, the Prison Industries Improvement Act of 1983, extends the exemption from the Federal restrictions and prohibitions on the sale of prison-made goods to any and all State or Federal prison industries which qualify. This is done in section 2 of the bill by striking the language which limits the exemption to the seven pilot programs. In my judgment, there is no sense in continuing the idea of this exemption system as an experiment. If we want to encourage the development of prison industries, then any program which can qualify should be allowed to have the exemption, freeing it from the selling prohibitions.

It is my understanding that one of the representatives of labor will testify later today in opposition to this legislation, and the thrust of part of his opposition at least is on the fact that labor does not believe that the industries in these pilot programs have been working that well, particularly in the area of the wage system. The concern there is that in some cases the wages are not

being paid up to the competitive standards in the area where the work is being done, or not competitive on some national prevailing wage scope.

I certainly abhor that if that is the case. I would like to see the legislation that is finally passed by this committee and this Congress to be certain whatever is necessary to assure that competitive wages and a truly private type of environment exists in prison industries because that is the very nature of the effort that I'm making in this legislation.

Obviously, if the Justice Department has the control over the criminal laws, and it is a crime to produce products and sell them across State lines in violation of that law, where the exemption tests are not met, then it would not be legal for a State or a prison system to be producing and using wage systems that do not meet these standards. But if, in fact, there is not sufficient belief that the Justice Department can use this mechanism of its normal ways of going about the investigation and prosecution to enforce the laws, then I certainly would welcome suggestions and would certainly be open to amending this bill to provide for the necessary oversight to accomplish that goal.

I also think that the Attorney General needs to be given some additional powers and work strength in the Federal area. Under present law, the Attorney General may pay wages to inmates who work in Federal prison camps. Section 3 of H.R. 3362 requires the Attorney General to conform his wage policies in this situation to the guidelines required of prison industries to qualify for the exemption from the restrictions on prison-made goods.

It is not my intent to try and encourage prison camps or road camps or whatever, but it is my intent in this legislation to make sure that where they do exist, and if they are ever used, that in fact the Federal officials do conform to the wage and policy guidelines that are otherwise imposed on prison industries and not set off on some other course.

Section 4 of H.R. 3362 deals with Federal prison industries. It allows the Attorney General—and I underline the word “allows” because I know the Department of Justice has not indicated any desire at this time to go beyond the scope of the prison industries they have today. But it seems to me they should be allowed to do so if at some time in the future it appears it would be reasonable for them to do so.

It allows the Attorney General and Federal prison officials to set up a prison industry system which follows the current guidelines which must be met in order to qualify for the exemption from restrictions on the sale of prison-made goods on the open market. It removes the specific statutory prohibition on the sale of goods made in Federal prison industries to the public in competition with private enterprise. It also provides the mechanism for the Attorney General to obtain any funds deducted from inmate wages to be used for the care of Federal prisoners and for the use of any profits which might accumulate from prison industry operations.

No actions that we take, Mr. Chairman, can guarantee that prison industries are going to flourish in our country and will fulfill the expectations that have been raised in the conferences and amongst the many of us who have discussed the issue of late. How-

ever, we can and should remove the existing impediments in Federal law to the success of prison industries. I would submit to you that the passage of H.R. 3362 would accomplish this, and I strongly encourage your favorable consideration of it, with whatever modifications are appropriate to protect the interests of everyone concerned.

Thank you, Mr. Chairman.

[The statement of Mr. McCollum follows:]

#### STATEMENT BY CONGRESSMAN BILL MCCOLLUM

Mr. Chairman, I commend you for calling this hearing today on the issue of prison industries and appreciate the opportunity to discuss my views and my bill with you and the other members of the subcommittee. We have both spent considerable time on this matter, attending conferences and exchanging ideas with businessmen, prison managers, labor representatives and the Chief Justice. It is clear that truly productive prison industries can be of great benefit to prisoners, prison officials and taxpayers, but it is equally clear that the vast majority of American prison systems don't have anything close to truly productive prison industries. If there is anything Congress can do to stimulate and facilitate the development of prison industries it is incumbent upon us to do so.

Inmates can benefit from a well-run prison industry in several ways. The most obvious is the case where an inmate can learn a skill or learn a trade which hopefully can be put to use when he is released from prison. Also, in a well-run prison industry an inmate can earn wages which can be put aside to help his family or make a nest egg for his protection when he is released from prison. Furthermore, if a prison industry is working right it can improve the morale and attitude of inmates significantly during their incarceration.

Idleness will be reduced by a strong prison industries system which works to the direct benefit of prison officials. In recent years there has been a substantial increase in state prison populations and the accompanying inmate idleness has been particularly acute at the state level. Idleness can be both dangerous and counterproductive and needs to be replaced by training and work. Many problems associated with prison overcrowding and the accompanying tensions can be eased by providing an avenue of self-development through paid employment in prison industries. Chief Justice Burger has pointed out:

"We do not need the help of behavioral scientists to understand that human beings who are producing useful goods for the marketplace—who are being productive—are more likely to develop the self-esteem essential to be a normal, integrated personality. In place of the sense of hopelessness that is the common lot of prison inmates, this kind of program could provide training skills and work habits that could make many prisoners better able to cope with life on their return to freedom."

Well managed, profitable prison industries can also directly save the taxpayers considerable sums of money. While some private industries, especially in our federal prison system, have long produced products for consumption by government agencies at a cost often well below what the agency would have to pay on the outside market, the ideal industry is one that produces competitively priced products which are sold on the open market earning enough for the industry to pay reasonable wages to the inmates involved in the program from which may be deducted a fair amount to go towards the cost of the inmates' care and new or improved prisons and prison facilities. In some cases the actual construction of prisons may be done by prison industry.

In order to have effective prison industries, leaders in state government, private industry and labor must join hands with prison administrators and students of the subjects of prisons and prison industries and build on the experience which does exist. While Congress cannot develop the industries or provide all the answers, it can be a catalyst and it can remove the legislative roadblocks which exist.

For many years federal law has essentially prohibited the sale of prison-made goods in competition with private industry on the open market. While the "sale" of prison made goods has been allowed to state and federal agencies, the law has barred the shipment of prison made goods across state lines as a part of a sale in interstate commerce and federal prison industries have been prohibited from sale of their industry goods on the open market. Obviously, the scope of prison industries is severely limited by these restrictions. It is also obvious that any efforts to lure pri-



vate industry into some partnership to make a prison industry work could well be hampered by the federal prohibitions.

In 1979, Congress amended the laws to provide an exemption from these prohibitions for seven pilot projects designated by the Administrator of the Law Enforcement Assistance Administration.

In order to qualify, the prison industry must pay wages to prisoners who voluntarily agree to work in the industry at a rate that is not less than that paid for work of a similar nature in that locality in which the work is performed. Such wages are subject to deduction not exceeding 80 percent of gross wages for taxes, reasonable charges for room and board, allocations for support of family and contributions to a fund to compensate victims of crime. It is my understanding that where these pilot projects have been sanctioned the programs are working without any hitches although, only time will tell how successful the industry becomes.

My bill, H.R. 3362, The Prison Industries Improvement Act of 1983, extends the exemption from the federal restrictions and prohibitions on the sale of prison-made goods to any and all state or federal prison industries which qualify. This is done in Section 2 of the bill by striking the language which limits the exemption to the seven pilot programs. There is no sense in continuing the exemption idea as an experiment. If we want to encourage the development of prison industries then any program which can qualify should be allowed to have the exemption, freeing it from the selling prohibitions.

Under present law the Attorney General may pay wages to inmates who work in federal prison camps. Section 3 of H.R. 3362 requires the Attorney General to conform his wage policies in this situation to the guidelines required of prison industries to qualify for the exemption from the restrictions on the sale of prison made goods.

Section 4 of H.R. 3362 deals with federal prison industries. It allows the Attorney General and federal prison officials to set up a prison industry system which follows the current guidelines which must be met in order to qualify for the exemption from restrictions on the sale of prison made goods on the open market. It removes the specific statutory prohibition on the sale of goods made in federal prison industries to the public in completion with private enterprise. It also provides the mechanism for the Attorney General to obtain any funds deducted from inmates wages to be used for the care of federal prisoners and for the use of any profits which might accumulate from prison industry operations.

No actions we take can guarantee that prison industries are going to flourish in this country and fulfill the expectations that have been raised for the benefit of prisoners, prison officials and the taxpayers. However, we can and should remove the existing impediments in federal law to the success of prison industries. The passage of H.R. 3362 would accomplish this, and I strongly encourage your favorable consideration.

Mr. KASTENMEIER. I compliment my colleague on his presentation.

You have alluded to some objections that may be raised later in testimony—in fact, may even form the basis for opposition to the bill—on the grounds that the seven pilot projects, that some way have been decertified and others may be also in difficulty. And there is some question as to whether they are in full compliance with the Prison Industries Enhancement Act.

Do you think, that being the case, that we would be wise to go into that matter and resolve that matter first before entertaining your bill, which in a sense would expand the concept?

Mr. McCOLLUM. I don't think so, Mr. Chairman, because I don't think that you're succeeding in any more knowledge that you're going to learn from an experiment or pilot program here than what we have just gained, if that is true. I think your hearing is to determine the course of this legislation that I am proposing, and any amendments to it should encompass the issues that are raised by that testimony and what we're talking about. The experiment apparently has shown up the weakness, which is that maybe the enforcement mechanisms in the current legislation that we have

are not sufficient to assure that appropriate wages and fair wages and competitive wages are being paid. Perhaps it is not sufficient, as some of the testimony you're going to hear is going to say, to assure that the work conditions are the same or equivalent to what is in private industry.

But it seems to me that there is no need to have pilot projects any longer extended out there. We need to encourage more States to get involved and we need to draft more assuring mechanisms if that's the case, whatever that might be. I don't want to overburden States and local governments with extra regulations, but at least make sure that the language we have, or perhaps the use of the Department of Labor or whomever, to go in and inspect and make sure that the law is being complied with would be the appropriate remedy. But again, I see no reason why we should leave it in an experiment stage, because if we do that, we're going to limit the number of States really intrested in it. We're going to limit private industries interested in it.

Mr. KASTENMEIER. Then assuming for purposes of argument that the criticisms and objections are valid, and assuming that you perhaps may not have had an opportunity to give a great deal of thought to it, it is your recommendation to ensure that any future projects are in compliance, that we would empower the Department of Labor or some other source to monitor them? Are there any other conditions that we might impose?

Currently, who certifies or decertifies these programs?

Mr. McCOLLUM. The Department of Justice does. I think it is very clear that that is a qualification procedure much like seeking a grant. You come forward, you're certified, and then you're allowed to go forward with this project.

As I see it, there is nothing wrong with that being done. It appears that the criticism must be that either the law itself—and I don't think that's the criticism—the statutory wording is incorrect and not being interpreted as it should be, or that the enforcement oversight mechanism in the certification process is not being handled in the way Congress intended.

I'm not suggesting we take it away from the Justice Department. Perhaps oversight is sufficient, I don't know. But I am suggesting that we can move forward with this area simply by making certain that we revisit the issue of the present standard and that we make sure that there is oversight either by the Department of Justice or by some other Department that is appropriate to determine that, in fact, this is the case.

What I guess I'm saying is, I don't think we need to have a grant-type program any longer. I think that the experiment in that area has been good, is revealing what we're discussing, and we need to encourage more to try to start doing this sort of thing. In the process, we simply need to make sure that as they do it they are not violating the law.

Mr. KASTENMEIER. In connection with H.R. 3362, incidentally, what would be the cost of enactment?

Mr. McCOLLUM. I don't see any cost in enacting the bill as it presently exists now. It is potentially costly if we start amending it and adding the Department of Labor function or something else. But in this bill right now there is no cost. In fact, it saves the tax-

payers a good deal of money in the long run if, in fact, we do get prison industries flourishing in this country.

I would like to comment, too, there is a thread running through the concerns I have heard, relating to criticisms in moving away from the prohibitions on the sale, that we're going to displace jobs in the open market.

Really, from listening to all the critics and all of the people concerned, I don't think that that's a reasonable argument if we have a mechanism for assuring that the wages are appropriate and the conditions are appropriate in the prison system. I see no reason why we should consider prison inmates to be off the labor market and a help to nonprisoners, if you will. We are encouraging, wherever we can, in our prison systems today, the return of people into the parole community, or somehow work outside of the prison, and the more we can encourage that I think the better society is going to be and the more we're going to benefit from it.

The key issue is, is the prison labor, the prison-produced good, if you will, being done fairly, competitively, so that we're not, in fact, getting prison slave labor or cheap labor, which undoubtedly was the original reason why the legislative prohibition was written into law. I don't know that I made that statement clear in the record, but I think it's important to be made. I think that is the real gut issue here, and I think that labor has come a long way, and I am more than willing to extend my hand as far as it takes to reach that other hand, to make sure we can get some viable system working here, to get the prisoners productive again in every sense of the word.

Mr. KASTENMEIER. Well, you are correct, that is a very substantial issue. This country has undergone a rather deep recession, from which we are presumably recovering, and there has been a great deal of sensitivity to loss of American jobs, particularly abroad, either because of competition or other reasons. I am sure that many, particularly representing the American workers, would be concerned that there not be a loss of jobs in the domestic sector because of this form of competition, if that's what it is.

I will say that in the various meetings, inquires, trips and other things that have been sponsored by Chief Justice Burger, centering on this area, among those represented, even in small groups, has been the AFL-CIO, at least through Mr. Albert Wohl, who was a very distinguished gentleman, who unfortunately died very recently. But I got to know him through both the trips and other meetings subsequent to the Chief Justice's trip. I do know that this issue, the loss of American jobs potentially, will continue to be a question to which there must be a response.

Mr. McCOLLUM. Mr. Chairman, if I might comment, it was sad to learn of the loss of Mr. Wohl, and it was just earlier this year that you and I attended a conference in Wisconsin before his untimely death, in which he participated vigorously and during which he and I had a discussion about this legislation and had intended to pursue some of the very points being discussed here today that were of concern to both of us regarding labor and prison inmates. But his illness and subsequent death prohibited that and I encourage further discussion amongst all of us in regard to trying to build a base.

Mr. KASTENMEIER. I thank my colleague and yield to the gentleman from Michigan.

Mr. SAWYER. Thank you, Mr. Chairman.

I have always wondered, when we're talking about prison industries, recognizing that perhaps the principal objection is either domestic businesses or labor feeling it is unfair competition, or has the possibility of being unfair, why we don't concentrate on some of those product lines that we no longer can afford to make in this country. For example, home radios, the last time I looked, we didn't make a single home radio. It has all gone offshore. For example, 70 percent of our nonrubber footwear, shoes, comes from imports. I notice the domestic shoe industry has been—the reason I'm aware of it is because I happen to have a shoe manufacturer in my district. But they have been pushing to try to get a quota, scaling down the imports to 50 percent of the domestic market, because it has skyrocketed up to 70 percent in about the last 4 or 5 years.

I wonder if we couldn't perhaps cut the imports down to 60 percent on a quota and allocate the other 10 percent, or cut it down to 50 percent and allocate 10 percent, additional to prison industries, so what we are really doing is reducing imports as opposed to taking away domestic manufacturing or jobs. It seems to me, when you look at the imbalance and the deficits we're running in our foreign trade, it would seem to me that that would be a very productive way to both help our foreign trade situation. Of course, in that way we could adjust our wage rates so we could compete with the foreign imports with no strain. I don't know why we don't pay some attention to that area.

Mr. McCOLLUM. Mr. Sawyer, ideally I would agree with you. One of the things that has been a little disconcerting to me I guess to learn, but I've learned it—and I believe it's certainly true because I have heard enough prison officials state it in the last few months—is that there is great difficulty in any prison industry development simply because of the nature of the inmate population, the turnover of the inmates, the fact that there is a degree of difference in learning, in educational skills, obviously amongst them, so that it is hard in any one prison or group of prisons locally in a general area where you could put people to work, to get manpower pooled to produce any particular type of product or whatever. Consequently, my concern would be that any legislative narrowing to the extent of saying you're going to limit your product to the few items, whatever they might be, x, y, or z, or to those that we don't produce in this country or whatever, would not, in fact, give a broad enough base to stimulate widespread development of prison industries, which I think are healthy in the country.

But I think, bottom line, you are correct, and in those cases where that can be done, maybe there should be some lead on encouragement so that that must be explored first, so to speak. But I would hate to see us have legislation that unduly limited the variety of options that are there because, again, there is such difficulty in finding a suitable industry for the inmate population of a given location.

Mr. SAWYER. But again, you know, I just picked home radio as one I happen to be familiar with. I am sure there are a thousand items that we can no longer afford to make in the United States

and don't make and that are not so complex that Third World countries can't make them; they are making them and sending them to us. At least it would remove a lot of the opposition to it.

Mr. McCOLLUM. Well, let me throw one back to you.

If, in fact, that could be done profitably, without the Federal Government subsidizing it, I would be certainly for it. And if, of course, the inmate population was there.

What concerns me is that there has got to be a reason why we're not making these items——

Mr. SAWYER. Sure. It's wage rates.

Mr. McCOLLUM. Well, I was going to say cheaper labor. If we are going to allow prisoners to work at lower cost labor for industry to produce these products, and not require the high dollar wages that are competitively in the outside world, which my bill would require, then perhaps there would be some interest and stimulus in those products. But if you're going to have the requirement that the wages that are paid in an industry be competitive with other wages similarly in that location, which is what's in the legislation presented here, if that's going to be the requirement, then I don't think the idea of competing with foreign offshore labor is going to work in the prison system any more than it would anywhere else. You won't get any private industry interested in it at all.

Mr. SAWYER. Why have such a provision? Why not—after all, right now they're not getting any wages, and we're picking up the whole check. In effect, we could adjust whatever the wage rate is. It's nothing but a profit to us, down to where we could compete with Swaziland or somewhere else, with prison labor. We're losing money on the imbalance of trade, and it would strike me that (a), it would help the balance of trade, and (b), it would remove the domestic opposition to the program, which is what the big problem seems to be anyway.

Mr. McCOLLUM. I think if you start paying subminimum wages in prisons you're going to get back to the slave labor concept, sort of the prison road gang type of thing, and you're going to get a lot of criticism you haven't heard about this bill coming forward. That is one of the problems.

I think a second one is, in that situation, you're going to wind up with a completely difficult thing for management. I just don't think it would work. I think it's a good idea, and I thought about it, but I really don't think it would work.

Mr. SAWYER. Thank you.

I yield back, Mr. Chairman.

Mr. KASTENMEIER. I want to thank our colleague for his presentation this morning and his sponsorship of this very important bill.

Mr. McCOLLUM. Thank you.

Mr. KASTENMEIER. We will doubtless seek his guidance and his comments as matters further progress.

Mr. McCOLLUM. I thank the chairman for his courtesies and attention.

Mr. KASTENMEIER. Now I am very pleased to greet from the Senate the distinguished Senator from Rhode Island, Senator Claiborne Pell, who has been very effective in the Senate on similar matters. I believe he is the principal sponsor of S. 625, the Senate

counterpart to H.R. 3684. We are honored to have him here. He is a man for whom I personally have very high regard.

**TESTIMONY OF HON. CLAIBORNE PELL, U.S. SENATOR FROM THE STATE OF RHODE ISLAND**

Senator PELL. I thank the Chairman for his welcome, his kind words, and for permitting me to testify on this side of the Capitol. I wish to congratulate and commend you and your committee at the outset for holding this hearing on Congressman Conyers' bill, H.R. 3684, the Federal Correctional Education Assistance Act. This is a very similar bill to one that I introduced in the Senate, S. 625. We had a brief hearing on it as part of the reauthorization hearings on vocational education.

Also, I am very glad to say that a small part of S. 625 has been incorporated into the corrections education set aside in S. 2341, which is the vocational education reauthorization bill. This bill is presently on the calendar and we hope action will take place on it this coming week. Despite this achievement, however, the need for much more massive action at the national level is desperately needed.

For several years now the deplorable state of education in our Nation's prisons has been of very deep concern to some of us on the Hill. I am appalled when I think that we spend about \$15,000 a year just to keep a young person in prison. That is far more than it costs to send that same young man or woman to Harvard or Yale or any other expensive college you can think of for 1 year. Nationally, this amounts to more than \$8 billion annually. Yet, of that whole amount, less than 2 percent is spent on vocational education and related programs.

Congressman Conyers' testimony, which I had a chance to read, puts forward the facts and statistics in this regard very tellingly and very forcefully.

We spend a huge amount of money just to keep a person in prison, and then we spend virtually nothing to rehabilitate that person. The result is a national tragedy. A telling example is the case of the ACI, adult correctional institution, in my own State, where for many years the inmates' sole industry was to learn how to make license plates. Then when they were released, the only thing the inmates knew was how to make license plates, and the only place where they make license plates in Rhode Island was in the ACI. It just did not make sense.

We have a revolving prison door through which a person leaves prison ill-equipped to become a responsible citizen, and for more often than not, soon returns to prison. As you know, the statistics show that as many as 50 percent of those released will return to prison within 1 year.

Enactment of your bill, H.R. 3684, would go a long way toward solving the deficiencies in education in our correctional institutions. Mr. Chairman, I think enactment of this legislation would mark the beginning of a commitment to ensure that the offender, upon release from prison, has at least some of the basic skills and the supportive assistance necessary to become a productive

member of our society. I really believe it is time we took this step and made that commitment.

I think that it is gradually becoming more and more within the public awareness. Chief Justice Burger has done a marvelous job in putting this on the front burner. I would hope that action could be taken, if not in this Congress, in the next.

I thank you very much for letting me be here.

[The statement of Senator Pell follows:]

#### STATEMENT OF SENATOR CLAIBORNE PELL

Mr. Chairman, I want to commend you at the outset for holding this hearing on HR 3684, the Federal Correctional Education Assistance Act. As you may know, I am the sponsor of similar legislation on the Senate side. We have had a brief hearing on S. 625, which was held as a part of the reauthorization hearings on vocational education. Also, I am pleased to tell you that a small part of S. 625 has been incorporated as a corrections education set-aside in S. 2341, the Senate vocational education reauthorization bill. Despite this achievement, the need for more massive action at the national level is desperately needed.

For several years the deplorable state of education in our Nation's prisons has been of very deep concern to me. I am appalled that we spend about \$15,000 a year just to keep a person in prison. That is more than it costs to send a young man or woman to Harvard or Yale for a year! Nationally, this amounts to more than \$8 billion annually. Yet, of that amount, less than 2% is spent on vocational education and related programs.

We spend an enormous amount of money just to keep a person in prison. We spend almost nothing, however, to rehabilitate that person. The result is a national tragedy. We have a revolving prison door through which a person leaves prison ill-equipped to become a responsible citizen, and—more often than not—is soon back in prison. Upwards of 75% of the offenders released from prison each year will return to crime, and as many as 50% will return to prison within one year. This, quite simply, is a national disgrace but one that we certainly have the ability to change.

Enactment of HR 3684 would go a long way towards solving the serious deficiencies in education in our correctional institutions. It would authorize \$25 million a year for three years for grants to State Education Agencies for education programs for criminal offenders. It would make this money available for programs such as basic skills education, postsecondary instruction, vocational training, and library development and services. Funding could also be provided for guidance and counseling to better prepare the offender for the adjustments necessary to a successful re-entry into society. Further, the provisions of this legislation would provide for the training and retraining of teacher personnel.

Mr. Chairman, enactment of this legislation would mark the beginning of a commitment to insure that the offender, upon release from prison, has the opportunity, the skills and the supportive assistance necessary to become a productive member of this society. It is time that we took that step, and made that commitment. This hearing marks an important turning point, and I remain very hopeful that it will lead to positive action on the legislation that is before you.

Thank you.

Mr. KASTENMEIER. I want to thank the Senator for his brief but compelling statement on one of the bills before us.

I wonder if you could tell us a bit more about what the Senate has incorporated in S. 2341. Apparently it's a small portion of S. 625, of which you are the main sponsor, and which resembles the bill H.R. 3684 which is before us. But obviously, it is just a small feature.

Could you tell us something about what is included in S. 2341?

Senator PELL. What we have is that from amounts made available to the States under the Vocational Education Act, there will be a 2-percent set-aside "available for criminal offenders who are in correctional institutions." If the vocational education bill is passed with this provision in it, it would then mean that up to \$8

million for basic skills and vocational training in the correctional institution setting would be available.

You have a \$25 million bill here, I believe, authored by Congressman Conyers, which is actually identical to my own bill. So your bill, if we get it through here, would be 25; we would have 8. The question is, how would you match those in conference, considering the fact that our bill is coming out of the Labor and Human Resources Committee and yours is coming out of the Judiciary Committee. But I think that it should be able to be worked out indeed I would hope it could be worked out. I don't think as of now that there is a similar correction set aside in the vocation education bill that has passed the House. So we would have to match this in conference, with conferees from your committee and conferees from my committee, which are not the same committees.

Mr. KASTENMEIER. Yes, I understand that.

I must say, whether or not H.R. 3684 is adopted, that what you are doing in the Senate is a very important step forward and a very important precedent for paying attention to prison education programs specifically. I am not aware that a similar effort is being made with respect to our vocational education programs out of our Education and Labor Committee.

Senator PELL. You are correct, it is not being made. This is why I am hopeful that the Senate vocational education bill will pass in this Congress, and with luck, next week. If that happens, I think it would be criminal if there was not some conference action on your \$25 million, if you get it through, and our \$8 million. I realize the general conference on the Vocational Education Act will be between the two education subcommittees at the time, but I would hope your rules would permit some conferees to be appointed from your committee to consider this particular portion of our bill.

I would like to ask you if you feel your bill has a chance of getting through in this Congress.

Mr. KASTENMEIER. Well, I would think that the odds, candidly speaking, the odds are against it in view of the lateness of the session and the number of legislative days we have. We have two bills here, both command attention. I suspect that I could not make any forecast, any optimistic forecast, but if my colleagues are of a mind, we may be able to move something forward. Now, whether it can get to the full committee and can get either through the Rules Committee or through the House in any other fashion before the end of this session—well, I guess I shouldn't be too optimistic.

But since you have already legislatively taken action on S. 2341, I would think the chances of that succeeding would be greater than our separate initiative. But we will see what we can do. We will feel that we have a supporter in the Senate.

Senator PELL. One thought might be to persuade the conferees for the Vocational Education Act on your side conference to accept our 2-percent set-aside.

Mr. KASTENMEIER. I would certainly be interested in pledging my efforts to achieve that and to talk to our conferees.

Senator PELL. Thank you very much.

Mr. KASTENMEIER. I yield to the gentleman from Michigan.

Mr. SAWYER. I have no questions, Mr. Chairman.



Mr. KASTENMEIER. Does the Senator from Rhode Island have any advice for us on the other issue of prison industries? You heard Mr. McCollum speak on that particular measure. I know that the subject is not embraced in your bill.

Senator PELL. I am struck with the ingeniousness of the thought that you would receive full wages, as I understand it, and then 80 percent of that would be returned to the Government for the care and housing and lodging of the prisoners. That was a new concept I had not thought of before. It's an interesting one and I would think might well remove the objections of labor.

Mr. KASTENMEIER. It is used in Western European prisons.

Senator PELL. Of course, I've been thinking, maybe we should introduce legislation with language that those prisoners who can afford it should be required to pay for their lodging and upkeep. That is obviously a whole new concept. But in this regard, I am just struck with our own adult correctional institution, where as I mentioned all they used to do was make license plates, and the only place you can make license plates was in the ACI. They are starting to broaden now into such things as upholstering and so forth. But the only work they do is on State furniture and State vehicles, though they are moving into the vehicle maintenance field.

So I guess, not having thought about this problem in the depth that one should, I would just like to see anything that would get our people moving into useful ways of life—for two reasons; one, to lessen the chance for violence in the prisons, and secondly, and more important, to lessen the chance of recidivism when they get out.

Mr. KASTENMEIER. Indeed, that would seem to be true. As the Federal Bureau of Prisons has done, they have recognized it as a single problem, that idleness when there is either prison industries or education. The Bureau of Prisons has merged the two functions of industries and education. They relate to the same problem of not only idleness in prisons, but preparing people for release and for a more constructive participation in society upon release.

Senator PELL. It is so horrifying to think we have the highest percent of people behind bars, not counting political prisoners, of any nation in the world. If you want to count political prisoners, we find that the Soviet Union and South Africa enjoy that privilege ahead of us. But I think it is an awful place where we are at this point. Our general solution seems to be to build more prisons.

Mr. KASTENMEIER. That's true. There is perhaps a number of surprising incongruities as far as the United States and prisons are concerned that reflects society in one form or another.

I would like to thank you very much, Senator Pell, for your most constructive if brief appearance before us here this morning.

Senator PELL. Thank you, gentlemen.

Mr. KASTENMEIER. Next we are most pleased to call the person who has been a witness before this committee on many occasions. He is the Director of the Bureau of Prisons, a friend, Norman A. Carlson. Mr. Carlson.

## TESTIMONY OF NORMAN A. CARLSON, DIRECTOR, BUREAU OF PRISONS

Mr. CARLSON. Mr. Chairman, Congressman Sawyer, I welcome the opportunity to appear again today in order to discuss two bills of great interest to the field of corrections.

Without question, Mr. Chairman, there are significant problems in virtually every prison in this country. Most of those problems are directly attributable to the rapid increase in the number of inmates confined during recent years and the resultant overcrowding and idleness.

Unfortunately, a large number of prison inmates today remain idle due to a lack of meaningful employment opportunities. While correctional administrators attempt to find ways to constructively occupying offenders, overcrowding significantly reduces the opportunities available to them. This enforced idleness serves to further exacerbate the ever-present tensions and frustrations that are always found in prisons.

Without viable work programs, the Federal Bureau of Prisons would quickly become unmanageable. As you know, all inmates in Federal institutions able to work are required to do so. The Bureau of Prisons has a total inmate population today of 32,200 inmates, an all-time high. Of this population, 8,700 are employed full time by Federal Prison Industries, the largest number in the history of the corporation. This has allowed us to avoid "warehousing" to some extent and to lessen the potential for violence, conditions which unfortunately exist in a number of correctional systems.

As you know, Chief Justice Burger is a forceful proponent for the development and enhancement of prison industries. His "prison factory" concept calls for putting more inmates to work and his advocacy has generated nationwide interest.

The enabling legislation which established Federal Prison Industries in 1934 has permitted it to grow to meet the critical employment needs of an expanding prison population. Participation in industries programs provides meaningful work opportunities for offenders.

At this point in time, agencies of the Federal Government provide us with sufficient business to meet our inmate employment needs, and for the foreseeable future we do not see the need for turning to the private sector for additional business.

Unfortunately, most State correctional systems have neither the financial resources nor the extensive diversified market of Federal Prison Industries. The expansion and improvement of prison industries throughout the Nation's correctional systems would be aided by legislation that addresses these problems.

Under the Prison Industries Enhancement Act, passed during 1979, the Office of Justice Statistics, Research and Assistance has responsibility for monitoring seven pilot projects which are exempt from the prohibition against interstate transportation of prison made goods. These projects attempt to address the same issues outlined in the bill before you today. The Comprehensive Crime Control Act, which is also pending before the Congress, would expand that program to 20 projects. The proposed legislation would provide

relief to States seeking to expand their markets for prison made goods.

The concept of the Prison Industries Improvement Act is one that we endorse. We want to commend Congressman McCollum and others in the Congress for recognizing the importance of providing meaningful work programs for inmates. There are a number of issues, however, such as the effect on small business, organized labor, and the impact of paying the prevailing wage that require further study. We would be pleased to work with the Congress in exploring those issues further.

With regard to the Federal Correctional Education Assistance Act, we believe that successful prison industries cannot exist unless educational opportunities are simultaneously addressed. We want to reiterate our support of the Chief Justice's views on the value of education and vocational training programs in prisons and jails. These programs are vital in improving the potential for the successful return of prisoners to the community.

The proposed legislation would authorize the Secretary of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correctional institutions. This legislation does not affect the Department of Justice, nor does it directly involve the Federal Bureau of Prisons. We do, however, agree with the basic concept of the bill, which is to strengthen correctional education and vocational training programs nationwide. However, we have been advised by the administration that, in a time of fiscal restraint, there are serious reservations about this or any other new grant program.

That concludes my formal statement, Mr. Chairman. I would be pleased to answer any questions you or Congressman Sawyer may have.

[The statement of Mr. Carlson follows:]

STATEMENT OF NORMAN A. CARLSON, DIRECTOR, BUREAU OF PRISONS

Mr. Chairman, Members of the Committee, I welcome the opportunity to appear today in order to discuss two bills of interest to the field of corrections: The Prison Industries Improvement Act of 1983 (H.R. 3362) and the Federal Corrections Education Assistance Act (H.R. 3684).

Without question, Mr. Chairman, there are significant problems in virtually every prison in this country. Most of those problems are directly attributable to the rapid increase in the number of inmates confined in recent years and the resultant overcrowding and idleness.

In a recent statement, the Bureau of Justice Statistics reported that state and federal prisons housed a total of 438,830 inmates at the end of 1983. This figure represents nearly a doubling of the number of individuals incarcerated just ten years earlier.

Unfortunately, a large number of prison inmates remain idle today due to a lack of meaningful employment opportunities. While correctional administrators attempt to find ways of constructively occupying offenders, overcrowding significantly reduces the opportunities available to them. This enforced idleness serves to further exacerbate the ever present tensions and frustrations that are always present in prisons.

Without viable work programs, the Federal Bureau of Prisons would quickly become unmanageable. All inmates in federal institutions able to work are required to do so. The Bureau of Prisons has a total inmate population of 32,200, an all-time high. Of this population, 8,700 are employed by Federal Prison Industries, the largest number in the history of the Corporation. This has allowed us to avoid "warehousing" and to lessen the potential for violence, conditions which unfortunately exist in a number of corrections systems.

As you know, Chief Justice Burger is a forceful proponent for the development and enhancement of prison industries. His "prison-factory" concept calls for putting more inmates to work and his advocacy has generated nationwide interest.

The enabling legislation which established Federal Prison Industries in 1934 has permitted it to grow to meet the critical employment needs of an expanding prison inmate population. Participation in industries programs provides meaningful work opportunities.

Federal Prison Industries is self sustaining and its earnings assist in supporting the mission of the Bureau of Prisons. Sales this year are expected to reach \$200 million and we project approximately \$30 million in earnings.

At this point in time, agencies of the federal government provides us with sufficient business to meet our inmate employment requirements, and for the foreseeable future we do not see the need for turning to the private sector for additional business.

Unfortunately, most state correctional systems have neither the financial resources nor the extensive diversified market of Federal Prison Industries. The expansion and improvement of prison industries throughout the nation's correctional systems would be aided by legislation that addresses these problems.

Under the Prison Industries Enhancement Act enacted during 1979, the Office of Justice Assistance Research and Statistics has responsibility for monitoring seven pilot projects which are exempt from the prohibition against interstate transportation of prison made goods. These projects attempt to address the same issues outlined in the bill before this committee. The Comprehensive Crime Control Act, (S. 1762) which is currently pending in Congress, would expand this program to 20 projects. The proposed legislation would provide relief to states seeking to expand their markets.

The concept of the Prison Industries Improvement Act (H.R. 3362) is one that we endorse. We want to commend Congressman McCollum for recognizing the importance of providing meaningful work programs for inmates. There are a number of issues, however, such as effect on small business, organized labor and the impact of paying the prevailing wage that require further study. We would be pleased to work with the Congress in exploring these issues further.

With regard to the Federal Correctional Education Assistance Act, we believe that successful prison industries cannot exist unless education opportunities are simultaneously addressed. We want to reiterate our support of the Chief Justice's views on the value of education and vocational training programs in correctional institutions. These programs are vital in improving the potential for the successful return of prisoners to the community.

The proposed legislation (H.R. 3684) would authorize the Secretary of Education to provide financial assistance to states for use in expanding educational programs in juvenile and adult correctional institutions. This legislation does not affect the Department of Justice nor does it directly involve the Federal Bureau of Prisons. We do, however, agree with the basic concept of the bill, which is to strengthen correctional educational and vocational training programs nationwide. However, we have been advised that the Administration, in a time of fiscal restraint, has serious reservations about this or any other new grant program.

This concludes my formal statement, Mr. Chairman, We would be pleased to answer any questions you or your colleagues may have.

**Mr. KASTENMEIER.** Thank you, Mr. Carlson.

You indicate that OJARS, the Office of Justice Assistance, Research and Statistics, has responsibility for monitoring seven pilot projects. Is it the case, as far as you know, that several of these projects have either been decertified or may be in the process of being decertified, and that all of them in one form or another have been challenged as being out of compliance?

**Mr. CARLSON.** Mr. Chairman, I'm not directly involved in the operation of OJARS, as you know. I do understand, however, that there are questions about several of the projects. I'm not sure if any of them have been decertified yet, but I do know that questions have been raised concerning at least several of the pilot projects now in operation.

Mr. KASTENMEIER. Then you are not responsible and these are not in your system and you do not operate OJARS. But you are a respected professional in the field.

From your perspective, what do we understand is the problem with these seven pilot projects—obviously because they affect what we may do in the future with respect to others—as you see it?

Mr. CARLSON. Mr. Chairman, at the conferences that you and I have attended, there have been questions raised concerning the payment of the prevailing wage. The definition, for example, of the prevailing wage I think is a subject of some controversy; how do you determine the prevailing wage in prison and compare it, for example, to the wages paid in free society. Other questions have been raised about the issue of competition from other sources in the private sector. There are a number of issues that have been raised, and I think it is important that these issues be considered, as we have indicated, prior to the enactment of any new legislation at this point in time.

Mr. KASTENMEIER. It is your opinion that the difficulties with the seven pilot projects have to do with the definition of prevailing wage and whether or not prevailing wages are being paid, and, second, the competition with the private sector?

Mr. CARLSON. Those are two of the issues that have been discussed.

My familiarity is limited, as you know, but these are issues that have been raised in conferences the Chief Justice has sponsored by various parties who have been participants.

Mr. KASTENMEIER. With respect to prison industries in the Federal system, you indicate that you currently have about 8,700 employed out of a total of 32,200. There are many inmates who are, in fact, engaged in work in prisons that are not prison industries. I take it these are supportive, that these are work pursuits which largely support the institution in which the inmates are incarcerated—for example, food services and laundry services and others—which would not be for these purposes considered prison industries. Is that not correct?

Mr. CARLSON. That is correct, Mr. Chairman. Those inmates who work in other assignments are also eligible for a wage which is generated from the profits of Federal Prison Industries. Last year, for example, \$5 million of the Federal Industries' profit was used to pay inmates who work in the food service, the hospital and other service aspects of the institution. They also benefit in a sense from the prison industries program.

Mr. KASTENMEIER. If you know, how many inmates in the Federal system would be considered as employed in nonprison industry pursuits or occupations?

Mr. CARLSON. Mr. Chairman, of those eligible to work, 37 percent are working in prison industries, and 63 percent are working in nonprison industries occupations. Some of those are in the prison camps, such as on the Air Force bases at Maxwell and Eglin, where they are working full time on Air Force assignments. I would say that approximately a third are working in prison industries and two-thirds are in nonindustry assignments.

Mr. KASTENMEIER. I don't mean to quibble, but 8,700 of 32,200 would not be 37 percent. It would be a little more than 25 percent.

Mr. CARLSON. I said the working population, sir. That excludes inmates in segregation, in the hospital, in camps where there are no industries.

Mr. KASTENMEIER. I see. You may have only 22,000 or 23,000 that are able to work?

Mr. CARLSON. That's correct, sir.

Mr. KASTENMEIER. In Federal Prison Industries, I take it you must have some review periodically of what activities, what enterprises, you could get into which would not fall aflow of outside competition and for which, as Mr. McCollum suggested, were suitable for inmates, some inmates with short and some with long terms, some with different skills, than a normal factory population would have.

In terms of using ingenuity and imagination, have prison industries within the Federal system come up with new enterprises that they might enter into, to give a broadened horizon to opportunity?

Mr. CARLSON. Mr. Chairman, that's a challenge, before us, to try to find new enterprises, where we can diversify and not become overly competitive in any one market sector, because obviously that would impact significantly or could impact significantly in terms of competition with the private sector.

We have a marketing division. What the marketing division attempts to do is continuously examine the Federal purchases across the country to find areas that the Corporation could become involved in. To answer your question, I think we have made substantial improvements in recent years in diversification, and also in finding some new opportunities for offenders that provide meaningful work for people being released from custody.

Mr. KASTENMEIER. For that which you manufacture in prison industries, to what extent is the U.S. Government or its agencies the prevailing customer?

Mr. CARLSON. It's the sole customer. By statute, we must sell to other Federal agencies and only to those agencies.

Mr. KASTENMEIER. That, of course, is not true, I take it, in terms of the seven pilot projects in the States; they're not limited to sale to the State or other governmental agencies.

Mr. CARLSON. That is correct. They are able to sell in the private sector the same as any other private organization can do.

Mr. KASTENMEIER. The Federal Prison Industries, I take it, is not interested in selling on the open market, that is, to a nongovernmental market?

Mr. CARLSON. Mr. Chairman, Federal Prison Industries is governed by a Board of Directors. They met within the last 2 months in Washington, this was one of the issues discussed. The consensus was that the Federal marketplace is sufficient to occupy as many inmates as we can employ today. There is no interest at this time in pursuing the private sector.

I believe Congressman McCollum's bill, as he indicated, is permissive in that aspect. It does not require us to move into the private sector, but simply gives us the authority should the Board of Directors ever desire to move in that direction.

Mr. KASTENMEIER. Yes, he does speak of Federal Prison Industries. He speaks in his bill of prison camps. I don't know whether

those are exclusively Federal prison camps or not, in terms of authority.

I take it that while you do not oppose H.R. 3362, Mr. McCollum's bill, you are not seeking it as a matter of policy in the Federal system?

Mr. CARLSON. At this time, that is correct, sir. We endorse the concept of the bill as a result of the Chief Justice's efforts in this area.

Mr. KASTENMEIER. I would like to yield to the gentleman from Michigan, Mr. Sawyer.

Mr. SAWYER. Thank you, Mr. Chairman. Mr. Carlson, it's good to see you again.

I posed the question to Mr. McCollum why some thought isn't given to getting into—at whatever wage rate is required—markets where the production has all gone offshore. There are quite a few items that were not making any more in the United States.

Mr. CARLSON. Congressman Sawyer, we try to find labor-intensive areas where we can occupy as many inmates as possible in prison industries. You mentioned shoes, which is a subject that we have discussed recently. We formerly made shoes in prison industries, but because of the shrinking market, we found that we were becoming competitive in terms of the amount of the American marketplace we were taking. That was one of the factors that led to the conclusion that we should diversify and move out of the shoe business and let the segment left in this country be the responsibility of the private sector, rather than having them compete with foreign competition as well as prison industries.

Mr. SAWYER. Well, what I had in mind, though, was competing with the foreign industries. Then you wouldn't have this prevailing wage rate problem, either. Shoes, for example, I happen to know that 70 percent are now imported, and that's very labor-intensive, as you know.

Mr. CARLSON. Right.

Mr. SAWYER. But things like home radios, 100 percent are imported. There's a market where I couldn't see us having any domestic opposition. It doesn't require great amounts of capital investment or heavy machinery or equipment. I just kind of wonder why we don't look at some of those. Then we eliminate both the problems of prevailing wage and domestic opposition.

Mr. CARLSON. Congressman Sawyer, if we could find areas where there is no competition in this country, and it is sold to the Federal Government, we certainly would be interested. The Federal Government doesn't buy many radios of the type you're—

Mr. SAWYER. No, I mean selling them on the market. I'm not talking about the Federal Government. I'm talking about going out on the market. We import them all now. So if there was any job displacement, it would be somewhere overseas.

Mr. CARLSON. That's an issue that I think should be discussed. I thought you were referring to the Federal market.

Mr. SAWYER. Oh, no. It strikes me that any time you sell to the Federal market, or the State market, you are, in effect, displacing domestic jobs or production because otherwise they would buy those items from the private sector. But if you're selling in the pri-

vate sector an item that is no longer made in the United States you don't have the problem of displacing domestic jobs.

Regardless of whatever labor rate we charge against the goods before and sell them in the private market, it's more than we're getting now. So it just strikes me, instead of looking at either the State market or the Federal market, where you're, in effect, displacing local business no matter how you cut it, we should explore the possibilities of the open market with respect to items no longer made in the United States. It would seem to me we could adjust whatever wage rates we had to adjust to be competitive with the foreign imports and thus get back a share of the market.

Mr. CARLSON. It's a point worthy of consideration. I had never thought of it in those terms.

Mr. SAWYER. Thank you.

I yield back, Mr. Chairman.

Mr. KASTENMEIER. I think that the gentleman from Michigan has a point. I probably wouldn't agree with him on shoes because I think shoes is just the opposite. We have a shrinking U.S. production which is mightily resisted, particularly in the labor sector, but in an area such as radios, where we have no U.S. production, that would not seem to be the case. I would think that we might want the benefit of some sort of maybe institutionalized expertise to tell us what appropriate areas might be, such as possibly radios.

In terms of competition, do you think the State prisons should be able to market to the Federal agencies? Would that be a problem for you?

Mr. CARLSON. I see no problem. The Federal marketplace is sufficiently large that the amount of competition we would have from the 50 State prison systems would be minuscule. I think we would be able to tolerate it without any question.

Mr. KASTENMEIER. We will undoubtedly want to confer with you further if these bills go forward, since there will be some sort of impact on the Federal system, and your further advice would be necessary.

I want to ask one question in terms of the differences that have taken place—and you talk about the total population increasing, doubling, I guess, in 10 years or so. In terms of being able to perform in prison industries or similar activities, is a profile of that doubled population the same or is it different, and if so, if it is different, in what respect is it different? Does it make it more difficult or perhaps easier to utilize prison labor in prison industries?

Mr. CARLSON. Mr. Chairman, speaking for the Federal system as well as a result of discussions with my colleagues in the State departments of corrections, I think the composition of prisoners in this country has changed during the last decade. One of the reasons is the expansion of alternatives to incarceration, which has taken people who formerly would be going to prison and placing them on probation, in halfway houses, and other alternative programs. I think we end up with in prisons are a much more hard core group of offenders, who are less able to find themselves a place in society, perhaps less educated and as Congressman Conyers has indicated, disproportionately minorities. I think there has been a change in the type of inmates that are being incarcerated today.



Mr. KASTENMEIER. Would that change indicate to you a greater difficulty in readily accommodating such inmates to prison industries or other structured settings of that sort?

Mr. CARLSON. Mr. Chairman, it would certainly be a greater challenge to us, particularly to our teachers and instructors, to motivate people who, frankly, have never demonstrated motivation to take advantage of educational programs. I think the challenge is with us and it is up to us to respond to that challenge.

Mr. KASTENMEIER. Of course, your comment suggests we have either had an enormous increase in crime or increase in apprehension of serious offenders, because if our prison populations, State and Federal systems, have doubled, and yet we find that of those that might have been there 10 years ago many are not there because they're on release or in halfway houses or diverted in one form or another. That might indicate we would have three times as many people in prison, or something like that—I'm just postulating—if, indeed, we didn't have the diversions from prison that we have today, would that not be the case? Presumably what you're saying is if we did not have halfway houses and certain release programs and so forth, our prison population would be substantially greater than the doubled population.

Mr. CARLSON. That's correct, Mr. Chairman. If you look at the total number of persons under probation supervision and halfway houses and other alternatives today, it is far greater than it was 10 years ago. Not only has the prison population increased substantially, but so has the population of people who are placed under alternatives to incarceration.

Mr. KASTENMEIER. That is not only a challenge to you; it is also a challenge to us, because such programs as we consider here today, some of which have been, even as prison industries, have been in effect for well over a generation, suggests that we are dealing potentially with not only a much larger population but in some respects a more difficult population in terms of ready integration into these programs. And this would probably be true in the States as well as the Federal system.

Mr. CARLSON. Yes; it would.

Mr. KASTENMEIER. So we have to consider that as well.

Thank you very much.

Mr. CARLSON. Thank you, Mr. Chairman, Congressman Sawyer.

Mr. KASTENMEIER. Next I would like to call a panel representing correctional administrators and educators. We are very pleased to welcome Anthony P. Travisono, who is executive director of the American Correctional Association, and John P. Linton, who is representing the Correctional Education Association. Mr. Linton is the director of correctional education in the State of Maryland.

Gentlemen, would you like to go first?

Mr. SAWYER. Mr. Chairman, I wonder if I could just ask a question of Mr. Linton. I have read his statement in advance, and I either am misreading something or there's an error in it and I want to find out which is which. The pages aren't numbered, at least the copy I have, but it would be the second full typewritten page, just slightly below the middle. It says, "Only about 10 per cent of prison inmates are high school graduates." And down in the

next paragraph you say high school graduates are 11 per 1,000, which would be 1 percent.

Which is correct, or am I misreading something?

Mr. LINTON. No, there are two different types of statistics, sir. Among the prison-prone age and sex groups—in other words, of males in the United States between the ages of 20 and 29—of those individuals in society, 1 per 1,000 of college graduates might be expected to be found in prison today, whereas we might expect to find 11 of a 1,000 high school graduates in the general population. The figure of 46 per 1,000 of individuals in free society, or individuals in our American society as a whole, have dropped out of high school. Forty-six out of 1,000 might be expected to be found in prison. So we're looking at two different types of statistics there.

Mr. SAWYER. OK. Thank you.

I yield back, Mr. Chairman.

Mr. KASTENMEIER. I understand that now. Do you?

Mr. SAWYER. Not completely, no.

Mr. KASTENMEIER. I think Mr. Linton is referring to the number of persons in categories who end up in prison. Of every 1,000 high school graduates, 11 of them end up in prison. That's general population. However, if you look at the prison population, you will find 10 percent of them are high school graduates, the prison population. This is general population versus prison population.

Mr. SAWYER. OK.

Mr. KASTENMEIER. Mr. Trivisono, did you want to proceed first?

**TESTIMONY OF ANTHONY P. TRIVISONO, EXECUTIVE DIRECTOR, AMERICAN CORRECTIONAL ASSOCIATION; AND JOHN P. LINTON, DIRECTOR, CORRECTIONAL EDUCATION, MARYLAND STATE DEPARTMENT OF EDUCATION**

Mr. TRIVISONO. Yes, sir. Thank you, Mr. Kastenmeier. Mr. Sawyer, it's good to see you.

As Congressman Conyers said this morning, this is a great day because you are willing to have correctional education and correctional prison industries discussed in depth. These two programs are what we call correctional programming they are vital—the third one being health care. But these two are the most significant in that they would help stabilize prison populations. They also help men and women really take a hold of their lives while incarcerated.

The legislation is fully supported, both pieces of legislation, by the American Correctional Association. It is a show of concern of Congress that there is a partnership. Many professionals in the field feel that Congress has not in recent years given any sense of commitment to the burgeoning prison population. What is available to the field is very minuscule through the OJARS and very little through the Department of Education. So we have to continue to seek avenues by which funds can be placed into correctional programs, both State and Federal.

Federal programs, as you are aware, Congressman Kastenmeier, are very limited at this time. Although we had LEAA, in its day only about 3 percent of that money was placed into correctional programming. In those days the whole quest of that crime program

was to get people out of institutions. We have done that and, as you said earlier, the net has widened considerably. The net that is within the prison system has gained in such numbers that it has been overwhelming to the State and to the Federal system as well. And so this concern that the Feds have "abandoned" the State system and many of the important programs is today represented by these two pieces of legislation. There is, indeed, a feeling of partnership even though it is limited. Both pieces of legislation of them can be concern show with the plight of the States where more than 400,000 men and women are locked up and have been and will be locked up for quite some time.

We also do not see, Mr. Kastenmeier, a reduction of that number of the next several years. We think there numbers will be with us at least through this decade, if not longer. So it is not a problem that is going to disappear overnight. This bothers many people. They think that prison is no longer an American program by which we should feel comfortable. It is going to be with us. I think we, Federal, State and local, have a commitment to make its prisons well.

I am going to use two words that are not in my written comments this morning, but I think most people, as Mr. Sawyer said earlier, hate to put money into corrections. I think most people see corrections as a "public nuisance" and do not like to support public nuisances. Sometimes the people who work in the field of also corrections feel they are painted with the same brush as inmates are and they are public nuisances also.

Another thing that is not reflected in my written testimony is that I think both pieces of legislation reflect concern that there is no one central governmental agency for corrections to receive allocations. We have to, as a profession, go from agency to agency with hands out, so to speak, because we do have a whole variety of interdisciplinary concerns within corrections. So education has a component within it, health care physical as well as mental has a component within it, agriculture has a component within it, and also many of the industries have components within it, so many times it appears that we look to a variety of sources for help that is true, because that's the way it is, and there isn't a single agency that is given the responsibility for this whole improvement of the plight that corrections sees itself and has seen itself over the last few years. Corrections is always at the bottom of the pecking order in the sense of public on governmental concern. Although people want to be given a sense of being able to be free of crime in their community, it is very hard to have these two aspects of concern exemplified by these two pieces of legislation.

Now, the Prison Industries Act is a wonderful piece of legislation that needs perhaps some additional work, and that is to perhaps have some community control based within it. We have no problems with looking at that aspect, that there is a distinct difference between an administrator of corrections wanting to keep his men and women completely busy and learning a trade, so that he or she may follow this when they are released, and the concern of the community of losing jobs. A correctional administrator is concerned about the loss of jobs to the open market, but also is perhaps more concerned with his management of that institution where he is

charged with both daily management and then future management of people who are released to the community. So it is a double-edged sword that corrections has been playing with for 40 years. There appears to be no reasonable conclusion.

Mr. Sawyer and I have talked about this business of bringing products back to the United States for work, and I concur with him entirely. But again, we don't see too many foreign companies selling those radios. They are sold by GE and they are sold by Motorola, they are sold by Emerson, all American companies. So it is not as easy as it appears on first blush. It is a very difficult process to understand.

If I were to make one recommendation to you, Mr. Kastenmeier, it would be perhaps to put a lid on the amount of prison industries that a prison could manufacture as compared to, say, the product in that given State. Like no more than 5 percent of the product line could be manufactured in the prison environment, or 7 or 10, whatever the figure is. It would be reasonable and something that both sides could live very comfortable with, and that we would pay prevailing wages or something similar to that.

Because I think this war will go on forever. And as you are well aware, we are in the middle of a minor skirmish now with the sign industry, where the sign industry feels that corrections sign shops in various State departments of corrections are impeding the development of their industry. In fact, they feel prison sign shops are putting some of their industry people out of business. We don't think that's the fact, and we feel that the sign shop industry is a very fine industry for prisoners. We hope that this attack or the "camel's nose under the tent" concept won't work. One industry can't be allowed to have the effect that all other industries will begin to attack prison industries, as such, and therefore the purse elimination of all industry. They want the elimination of prison industries in the sign making business. I have worked with the industry association in the past. It is a very small family oriented business and they believe they should not be a part of prison industries. They feel we should go to those industries that have a large base, I don't think that is something that we can tolerate at this particular time.

In summary the concept of what is in this bill is fully supported by the association, and the concept of having some community control over it is well thought through and we have no problems with that idea. On education, of course, we have been working for years and years and years with Senator Pell and many other people in this Congress to try to improve correctional education. Again, the association fully supports not only the Congress but supports our colleague association, the Correctional Educational Association, who has worked very hard to have this bill come this far, to have it supported by not only you but the entire Congress.

So we can truly say yes, we are concerned. There is a partnership, that education is important, that the Federal Government is willing to invest a modest amount of money in helping the States work with this program.

What happens in State government, Mr. Congressman, is that when things get hard, when things get difficult, the fringe programs begin to disappear. As hard as one tries to inculcate that

education is a basic program of concern for everybody, it is still considered a fringe. So the correctional officer can't be dismissed with, and health care can't be dismissed so some industries disappear and some educators disappear, some counselors disappear, some chaplains disappear, and it gets down to what Senator Pell is saying, that we're spending a great deal of money on security. That's a basic fact and probably one that has to continue. But the disappearance of dollars at the State government always winds up with those "fringe" programs disappearing from corrections. I think with the partnership concept that the Federal Government is willing to work with the States, and having some new programs put into being, it would give a tremendous feeling of uplift to the correctional administrator's staff and inmates.

Thank you very much.

[The statement of Mr. Travisono follows:]

STATEMENT OF ANTHONY P. TRAVISONO, EXECUTIVE DIRECTOR, AMERICAN  
CORRECTIONAL ASSOCIATION

Thank you for the opportunity to express the views of the American Correctional Association (ACA) on the legislation being considered today by this subcommittee. These proposals affect two of the key program components of our federal, state and local corrections systems, namely, industry and education.

I am encouraged by the fact that this subcommittee is conducting these hearings because it demonstrates the Congressional interest and concern about issues dealt with daily by corrections administrators and personnel who are affiliated with the ACA.

The ACA was formed in 1870 as an outgrowth of the American Prison Association and is concerned with providing national professional identification on a national basis for correctional workers across the United States and Canada. At the current time the ACA membership stands at approximately 15,000. These individuals perform duties in all phases of adult and juvenile corrections. The ACA family includes Federal, State and local workers in adult and juvenile institutions as well as personnel in community corrections including probation, parole, diversion and pre-trial services. Jails and detention facilities are also components of our network of representation.

Over the years the ACA has published a series of corrections standards (manuals) that has been a guide for corrections administrators in program planning. In addition, the ACA has developed a much needed set of standards for adult and juvenile correctional services. These serve as the basis for accreditation by the Commission on Accreditation for Corrections. The standards and policies provide correctional administrators with a nationally recognized format for upgrading and improving their systems.

It is from this overall national concern for corrections issues that I comment on the subject matter of today's hearing: H.R. 3362, the Prison Industries Improvement Act of 1983 and H.R. 3684, the Federal Correctional Education Assistance Act.

THE PRISON INDUSTRIES IMPROVEMENT ACT OF 1983

As stated in this legislation the purpose of H.R. 3362 is to permit the interstate transportation of certain domestic prison-made goods as well as to increase the rehabilitative use of employment and training in Federal correctional institutions. The thrust of the proposed revisions would affect the Federal Prison System and this subcommittee has testimony expressing views of Federal officials.

I support H.R. 3362 not only for Federal prison industry programs but also see value in removing similar regulations that restrict the manufacture and transport of certain products at the state level.

Let me assure you that I am not suggesting that prisons produce and distribute goods with no regard for the private entrepreneur who also manufactures the same item. Prison industry programs that train and employ inmates do not necessarily have to interfere with the production and distribution of goods by the private sector.

Throughout the nation many corrections systems depend on involving inmates in prison industries programs not only because of the training benefits for the inmates but also for the revenue generated from sales. This revenue can then be reinvested

in additional training programs within the correctional system. Unfortunately, there appear to be some elements in the private sector network who believe prison industry initiatives are a threat to the private entrepreneur.

An example of a current situation should illustrate my point which undoubtedly will sound familiar to the chairman as well as Mr. Kindness since you both have taken an active role with this topic in the past. Unfortunately, you might again have to assist the ACA and the field of corrections because the problem still persists. Specifically, I am referring to recent attacks launched against the highway sign manufacturing component of prison industries programs by the American Traffic Services Association, Inc. (ATSA).

On March 22, 1984, the ATSA testified before the Transportation Subcommittee of the Senate Committee on Environment and Public Works alleging that the prison industries provision of the Surface Transportation Act of 1982 had an adverse effect on their industry. Their concern was—and still is—with the highway sign manufacturers with their perception of competition of state prison industries. ATSA has made a number of groundless accusations I need not dwell on at this time but will gladly discuss with you at your convenience.

The point of my concern is that if the ATSA or any of their allies are successful in prohibiting just one aspect of prison industry manufacture done by inmates—namely; highway signs—it could well be a signal of more detrimental things to come. This could negatively affect the operation of prison industry programs. In other words, if sign manufacture by inmates is legislatively prohibited the next could come because some other private sector industry believes that prison industries is infringing on their turf. This would certainly be the opposite of the intent of H.R. 3362 which wants to remove—not impose—restrictions on the transportation of prison-made goods.

I would point out that removing restrictions is also consistent with the views often expressed by Chief Justice Burger. His concept of "factories with fences" advocates the elimination of those unnecessarily restrictive limitations placed upon prison industries.

Private sector concern about prevailing wages, competition, and other labor issues are similar to correctional concerns regarding training and employment. There are examples of cooperative ventures between corrections industry and the private sector can serve as a basis for cooperative communication rather than destructive competition. The ACA welcomes the challenge to work constructively with the private sector to address our mutual concerns about prison industry programs.

#### THE FEDERAL CORRECTIONAL EDUCATION ASSISTANCE ACT

H.R. 3684, introduced by Congressman John Conyers (D-MI) addresses one of the most important functions given to a correctional institution—educating those offenders sent to them by the courts.

There is a monumental need for sound education and training programs to provide program activity for the law violators incarcerated in prisons throughout the country. Statistics recently provided in a report by the Justice Department's Bureau of Justice Statistics indicate that in 1983 there was a total of 438,830 male and female offenders confined in our Federal and State prisoners correctional facilities.

The ACA joins with our affiliate, the Correctional Education Association, to support the Federal Correctional Education Act as a means to address the educational needs of these offenders. No matter how much we may wish to deny reality, the fact is that after a period of incarceration upwards of 95 percent of the prisoners will return to the community. Education provided to offenders while in prison can only enhance their prospects of a favorable adjustment once released.

The program approach called for in H.R. 3684—and its companion bill S. 265, introduced by Senator Claiborne Pell (D-RI)—will benefit efforts of our correction workers. As proposed, the legislation would authorize the Secretary of Education to provide financial assistance to states for the expansion of education programs in state and local correctional institutions for juveniles and adults. The act authorizes appropriations of \$125,000,000 for fiscal year 1984 through 1986. This will enable the Secretary of Education to make grants to states for academic as well as vocational programs including: (1) academic programs for basic education, special education, bilingual or bicultural study, secondary school credit, postsecondary study, fine arts, recreation and health, and curriculum development; (2) vocational training; (3) library development and services; (4) teacher training; (5) educational release programs; (6) guidance; (7) supportive services; and (8) job training.

There is also a provision for a 3 percent set-aside for programs of national significance which the Secretary determines will improve the education of criminal offend-

ers. These grants, from specified reserved funds, will be made to state and local education agencies, institutions of higher education, state correctional agencies, and other public and nonprofit organizations.

I am encouraged by this legislation. The positive contributions these grants can make is immense. They will assist continuing efforts to provide meaningful correctional education deficiencies. These programs will address the continuing efforts to improve the educational deficiencies of an inmate population. Typically about 10 percent of the inmates have completed high school and approximately 80 percent dropped out of school prior to their 16th birthday. This need for educational assistance was recently highlighted in an NBC Television Special Report (July 30th) on adult illiterates in this country. That report indicated that at least 60 percent of the prison population are unable to read and Education Secretary Bell, appearing on this program, went on to suggest that if illiteracy isn't corrected at an early age many of those individuals would probably live their lives in prison. Unfortunately, the corrections systems of this country are overwhelmed by the enormity of this task of correcting educational deficiencies.

I am also strongly encouraged by the August 1983 action taken by Education Secretary Bell when he issued a United States Department of Education Correctional Education Policy Statement. However, to assist the implementation of this policy, I strongly recommend congressional action such as H.R. 3684 to provide funds for actual program staff; and the use of grant funds by state and local correctional systems. The resources of the ACA are offered to assist the Department of Education implement this policy, as well as the provisions of H.R. 3684.

I again thank the Chairman for conducting these hearings to allow the ACA to express its support for these two very important pieces of legislation. I welcome any questions from the subcommittee. I will be pleased to clarify any issues that are still of concern on either the Prison Industries Improvement Act of 1983 (H.R. 3362) or the Federal Correctional Education Assistance Act (H.R. 3684) both of which are strongly endorsed by the American Correctional Association.

Mr. KASTENMEIER. Thank you, Mr. Travisono.

Before questions, we will call on Mr. Linton.

Mr. LINTON. Thank you. I appreciate the fact that my statement has been reviewed, and I will try to abbreviate this substantially so that there will be an opportunity for questions.

Mr. KASTENMEIER. Without objection, your statement in its entirety, and that of Mr. Travisono and others, will be received and made a part of the record. You may proceed.

Mr. LINTON. Thank you.

I am here as a practitioner. I direct the correctional education programs in the adult penal system in the State of Maryland. I am also representing the Correctional Education Association.

You are aware from the discussion this morning of the unprecedented growth in the State prisons. You may know that this growth has had a tendency to both dwarf and displace prison rehabilitation programs. Prison administrators in 1984 keep very busy managing the demands strictly related to growth in the prison population. The problems they are dealing with range from dealing with excess sewage capacity problems to dealing with some of the violence associated with overcrowding that was referred to earlier.

Prisons have been said to have three major purposes: They temporarily incapacitate lawbreakers, they provide a deterrent to potential lawbreakers, and they rehabilitate convicted criminals. Some feel that we once unreasonably stressed rehabilitation while ignoring the other functions. I think today we are in danger of losing sight of the rehabilitative function all together.

Correctional education is simply the provision of schooling for prison inmates. Libraries and schools within prisons have long been central to the American concept of the prison. Also, with our long history of free public schooling and of mandatory school at-

tendance laws, it is also part of our general belief system that it is in our common interest to assure that members of our society possess basic skills.

Shall we go over these statistics again? [Laughter.]

Referring to the characteristics of the prison population, we see in Maryland about 10 percent of our inmates who have completed high school before entering the prison system; 85 percent of the inmates have left school some time before their 16th birthday. Inmates are typically functioning three grade levels below their grade completion level when they're tested as they enter prison.

Incarceration is statistically related to education. Among the prison-prone age groups, males, ages 20 to 29, 1 per 1,000 of college graduates can be expected to end up in prison, 11 per 1,000 of high school graduates, and 46 per 1,000 of high school dropouts. Also, I think we have heard—

Mr. KASTENMEIER. If I may just interject, if you want to avoid prison, go to college. [Laughter.]

It's 1 in 1,000.

Mr. LINTON. It would be nice to think it would work that way.

Many inmates leave prison without possessing the characteristics which constitute what we might call employability. A person who is employable may or may not work and be a responsible citizen, but he or she at least has that option. We know what many of the elements of employability are, and we know how to approach many of those within the prison environment. Basic academic skill level is a key element, and we can teach inmates to read, write, and compute. There is good experience for that.

We also know something about identifying and teaching specific occupational skills needed in the employment market, although specific job skills may not always be the key ingredient for many inmates. Often inmates have weak interpersonal and communication skills which inhibit job seeking and inhibit success on the job. Many inmates lack a basic understanding of our economy, including the fact that labor is a commodity purchased by entrepreneurs who use it to generate a profit. For someone who does not understand the most basic aspects of an employer/employee relationship, productivity is a foreign concept. Prison programs need to be provided in a coordinated fashion which addresses employability development.

I was fortunate in finding a 1921 report of the Maryland Prison Board that I thought had a very interesting quote about the subject of prison labor in Maryland. They were studying the general issue of labor in prison at that time—and this is a quote.

We believe that the State should employ prisoners in those industries only which offer little or no competition to its citizens, and should, as far as possible, confine its efforts to producing articles which are consumed in the necessary work of the State. . . . When, however, such activities are exhausted, if there is still available labor in the State prisons, it must be utilized. There is no greater punishment than confinement in idleness.

We are still debating prisoner labor, the role of the private sector, the possible effects on free workers, and the implications of denying inmates an opportunity to work. The 1921 prison board members would be amazed to find how few inmates are on productive jobs in 1984.



The residents of Maryland's adult prisons will have spent a combined equivalent of 33 years of jailtime between midnight last night and midnight tonight. It is interesting to examine how that time has been spent. Less than 5 percent of the 12,000 inmates in Maryland will have worked on a prison industry job today. About 2½ percent of the total population will have left prison and worked for civilian employers; 40 percent of the inmates would have been assigned to an institutional job which supports the operation of the prison itself. These jobs range from a few hours working in a kitchen to a few minutes picking up trash. These jobs are very severely featherbedded. About 25 percent of the inmates are spending the day in officially designated idle status. There is nothing on their assignment at all in terms of what they're supposed to be doing.

To our credit, about 25 percent of the inmates are spending the day as students, attending the institutional school for at least 2 hours. Also, if today is a typical day in our prison system, four inmates will complete either the eighth grade, a high school program, or vocational training program.

There is an intent to develop prisoner education services at the State level, both in Maryland and quite a number of other States. During an austere period, Maryland is currently spending nearly \$4 million in State resources on the direct costs of educational programs. This figure isn't adequate, but it exceeds the prior year by a third. Much of this increase is due to a decision we made in Maryland to mandate an educational program for every individual who enters our system without a minimal literacy level.

Federal funding provides about one-eighth of our operating budget, or about \$500,000 beyond the State appropriation of \$4 million. The proportion of our funding coming from Federal resources has decreased, despite a slight increase in the dollar figure. In Maryland, we have used a miscellany of Federal programs to support prisoner education, we have used LEAA, CETA, JTPA funds, but primarily a variety of educational programs. These educational entitlements are permissive with regard to correctional education, so use of these resources in prisons varies very greatly from State to State.

Federal funding targeted at correctional education would go far to stimulate the growth and improvement of prisoner education programs. States that are addressing this need require assistance, while States that have not developed major programs efforts need encouragement to do so.

We as a people are not displaying either wisdom or compassion through our current prison policies. A national initiative toward eliminating ignorance and idleness in American prisons, where both conditions are now so pervasive, would be a prudent investment. We would appreciate your serious review of these issues.

Thank you.

[The statement of Mr. Linton follows:]

PREPARED STATEMENT OF JOHN LINTON, DIRECTOR, CORRECTIONAL EDUCATION

Mr. Chairman and members of the sub-committee, I am honored to appear before you today and to share this table with distinguished members of the correctional community. I present myself as a correctional educator and appear before you on behalf of the Federal Correctional Education Assistance Act (H.R. 3684). I've worked

in Maryland's prison schools since 1970 when I began teaching and I'm now charged with administrative responsibility for library programs, academic school programs and vocational education programs within Maryland's adult prison system. I'm also pleased to represent the Correctional Education Association and its organization of administrators of correctional education, an organization within the broader professional association.

You are undoubtedly aware of the unprecedented growth in State prison populations occurring in recent years. You may know that this growth has had a tendency to both dwarf and displace prison rehabilitation programs. Prison administrators in 1984 keep busy managing the demands related to growth. Their problems range from obtaining excess sewage capacity to containing the increase in violent incidents associated with overcrowding.

In prior years, Maryland prisons were administered by a warden and two assistant wardens, one for security, and one for treatment. This pattern represented the organization's charge to maintain security while addressing an organizational mission reflected in the title "correctional institution." In 1984, there are no assistant wardens for treatment in our Maryland prisons. The organizational focus on rehabilitation has been very much diminished. The expenditure for education is one to two percent of the prison system's budget. Much less is spent on other types of rehabilitation programs. In Maryland those funds appropriated for prisoner education are administered through the Department of Education. The General Assembly mandated this procedure to assure that program funds would not be diverted at any time to cover basic cost of confinement expenses.

Prisons have three major purposes: 1. They temporarily incapacitate lawbreakers, 2. They provide a behavioral deterrent to potential lawbreakers, and 3. They rehabilitate convicted criminals. Some feel that we once unreasonably stressed rehabilitation while ignoring the other functions of prisons.

Today we are in danger of losing sight of the rehabilitative function.

Rather than meeting the mission of rehabilitation, our state correctional systems are fostering the development of anti-social attitudes and behaviors and providing the incarcerated individual few opportunities to develop a repertoire of acceptable behaviors. There is no neat or sure science of rehabilitation for offenders. People commit crimes because, in the final analysis, they choose to do so. Nothing that we might do with an individual during the course of confinement will assure us that an individual will not make a deviant choice again at a later time. However, considering the current experiences of confinement in America's prisons, one might wonder if we aren't attempting to encourage future deviant behavior.

Correctional education is simply the provision of schooling for prison inmates. Libraries and schools within prisons have long been central to the American concept of the prison. Learning was part of both the religious/moral concept of personal change through rehabilitation. With our long history of free public schooling and of mandatory school attendance laws, it is also part of our general belief system that it is in our common interest to assure that members of our society possess basic skills.

Prison inmates have an educational profile different than other population groups in this society. Only about 10% of prison inmates are high school graduates. 85% of inmates left school before their 16th birthday. Inmates typically function three grade levels below their grade completion level. Illiteracy is prevalent in our prisons. Letter writing is a profitable business for those inmates who do possess reasonable skills.

Incarceration is statistically related to education. Among the prison-prone sex and age groups (males, ages 20-29) college graduates are incarcerated at the rate of 1 per 1,000; high school graduates at 11 per 1,000; high school drop-outs at 46 per 1,000 and individuals with no school experience at 259 per 1,000. Today's prisoners were not much more at home in the economic community than in the educational community. 40% were unemployed prior to arrest; 80% made less than a poverty level salary.

Correctional education can't solve this problem. These figures demonstrate the need for preventive programs. But efforts toward education in prison are essential. The prison population is large, young and its members are returning to free society. Despite tougher sentencing, fewer than 5% of our inmates find a permanent home behind bars.

These individuals can only be neglected at a high price.

Many, perhaps most, inmates leave prison without possessing the characteristics which constitute what we might call employability. A person who is employable may or may not work and be a responsible citizen, but he or she at least has that option. We know what many of the elements of employability are, and we know how to approach most of these within the prison environment. Basic academic skill level

is a key element, and we can teach inmates to read, write, and compute. We also know something about identifying and teaching specific occupational skills needed in the employment market, although specific job skills may not be the key ingredient for many inmates. Often inmates have weak interpersonal and communication skills which inhibit job seeking as well as success on the job. Many inmates lack a basic understanding of our economy, including the fact that labor is a commodity purchased by entrepreneurs who use it to generate a profit. For someone who does not understand the most basic aspects of an employer/employee relationship, productivity is a foreign concept. Aside from attitude and possession of skills, an inmate may not have the capacity to turn out a competitive day's work. Leaving prison and going to work might be likened to getting off a cross country flight and running the 100 yard dash. Many offenders leave prison in their mid-twenties with no experience of normal employment. Prison programs need to be provided in a coordinated fashion which addresses employability development.

I recently was fortunate to chance upon a 1921 report of the Maryland Prison Board. A brief review of the basic data presented in that report convinces me that prison conditions in Maryland in 1984 are harsher, more debilitating, and more dangerous than in 1921. A main focus of that annual report was the topic of prisoner labor. Discussing a proposed reform which would abolish the practice of having inmates work for private employers and establish a system of state use industries, the board concluded: "We believe that the State should employ prisoners in those industries only which offer little or no competition to its citizens, and should, as far as possible, confine its efforts to producing articles which are consumed in the necessary work of the State. . . . When, however, such activities are exhausted, if there is still available labor in the State prisons, it must be utilized. There is no greater punishment than confinement in idleness."

We are still debating prisoner labor, the role of the private sector, the possible effects on free workers, and the implications of denying inmates an opportunity to work. The 1921 prison board members would be amazed to find how few inmates are on productive jobs in 1984. They would no doubt be appalled to learn that both of the State prisons which they oversaw in 1921 are still in operation, despite the 1921 recommendation that one of the two was antiquated and should be replaced. Imagine their reactions if they were told that one of these two institutions now holds twice its 1921 population while the other now contains roughly fourfold the 1921 population.

The residents of Maryland's adult prisons will have served a combined equivalent of 33 years of jail time from mid-night last night to mid-night tonight. How will that time have been spent? Less than 5% of the 12,000 inmates will have worked on a prison industry job. About 2½% will have actually left prison and worked for a civilian employer; 40% of the inmates are assigned to an institutional job supporting the operation of the prison itself. Such a job would range from a few hours working in a kitchen to a few minutes picking up trash. These jobs are severely featherbedded. More than 25% of the inmates are spending the day in officially designated idle status. To our credit, some 25% of the inmates are spending the day as students, attending the institutional school for at least two hours. We can keep the number enrolled this high only by restricting the number of hours that each student spends in school daily. If today is a typical day in our prison system, four inmates will complete either the eighth grade, high school, or a vocational training program.

There is an intent to develop prisoner education services at the state level, both in Maryland and in many other states. During a fairly austere period, Maryland is currently spending more than \$4 million in State resources on the direct costs of educational programs. This isn't enough, but this figure exceeds the prior year by a full third. Much of this increase is due to a decision we've made in Maryland to mandate an educational program for every individual who enters our prison system without a minimal literacy level. Federal funding provides about 1/8 of our operating resource, or about \$500,000.00 beyond the State appropriation of \$4 million. The proportion of our funding coming from federal resources has decreased, despite a slight increase in the dollar figure. In Maryland we have used miscellany of federal programs to support prisoner education, including LEAA, CETA, JTPA; but primarily a variety of educational programs. These educational entitlements are permissive with regard to correctional education, so use of these resources in prisons varies greatly from state to state.

Use of federal funds for inmate education has increased in the past few years as the U.S. Dept. of Education has begun to provide information to the states about the appropriate use of various program funds for prison programs. Federal funding targeted at correctional education would go far to stimulate the growth and improvement of prisoner education programs. States that are addressing this need require

assistance, while states that have not developed major programs need encouragement to do so.

It is a truism to say that a society can be judged by the way that it treats its deviant minority. We as a people are not displaying either wisdom or compassion through our current prison policies. A national initiative toward eliminating ignorance and idleness in American prisons, where both conditions are now so pervasive, would be a prudent investment. Please look seriously at the proposed initiatives to strengthen educational programs and employment opportunities behind bars. Thank you for your consideration.

Mr. KASTENMEIER. Thank you very much.

Is the Maryland experience—not necessarily statistically, but general experience, in terms of what you're devoting yourself to—is it typical of other State prison systems?

Mr. LINTON. There is a very wide variety of what is happening. Some States are stressing education at the present time, and a few States are backing off.

Mr. KASTENMEIER. Then may I ask, is it neither at the lower nor upper range—

Mr. LINTON. I believe so, yes. I think the upper range in quality I would like to think, but certainly in terms of funding level, I think we're midrange.

Mr. KASTENMEIER. Is it the situation, generally speaking, that institutional jobs are, No. 1, insufficient to accommodate more than a fraction of the prison population meaningfully, and two, that they generally are jobs which do not contribute to any job learning experience or useful experience in terms of the post-incarceration period?

Mr. LINTON. It could be argued that individuals working on these prison jobs—I'm not speaking of prison industries now, but prison work assignments—are learning that so little effort is required of them to do a day's work that it's counterproductive in terms of their experiences when they face the rigors of a civilian job. Their expectations are so low in terms of what will be required of them that it actually has a negative effect on their later success.

Mr. KASTENMEIER. Yes; I was impressed by the fact that you indicate that while something like 40 percent of the inmates may be assigned to institutional jobs, many of them require no skill and very little time, so they are just marginally above being idle for the entire day.

Mr. LINTON. Yes; that's very true.

Mr. KASTENMEIER. Therefore, it would seem that, in terms of usefulness of time, we have to have either prison industries or education or obviously a combination of the two bills to fill the void?

Mr. LINTON. Yes.

Mr. KASTENMEIER. In terms of the prison population, would you agree with the colloquy I had with Mr. Carlson to the extent that perhaps in a decade or so we have seen our prison population double in sheer size, and that this does not include alternatives to incarceration or diversion, and that the profile of the average inmate is, if anything, for purposes of integration into a program, more difficult, that it is more difficult in 1984 than it might have been in, say, 1970?

Mr. LINTON. I don't know that in Maryland we have seen a radical change in the nature of the inmate population. The inmates are severely disadvantaged; they come from the lowest spectrum in

terms of educational success. We have seen that fairly consistently over a period of time. Maryland has not been a very aggressive State in developing alternatives to incarceration, to some embarrassment to me. Perhaps Mr. Trivisono could comment better than I on that nationally.

Mr. TRIVISONO. I think the difference at this point is in the rate of violence, with these alternative programs coming as forcefully as they are and very well accepted, that the violence rate of the incarcerated has increased significantly.

It used to be that you had a fairly well balanced prison system. You had some people who shouldn't have been there, you had some people who should be there, you had some violent ones. So you ran a decent prison because you had a whole class of people working together. Now, with most of those eliminated who are not violent in their nature, you have some hot headed young people, 18 to 30, who are prone to be very quick. Without a job to do on a daily basis, without getting some activity for them to do, violence is just used in the prison. So there is an increase in that aspect.

Mr. KASTENMEIER. That's very interesting.

If there were more educational opportunities and more jobs to do in prison industries, do you feel the system would benefit even as to violent prisoners?

Mr. TRIVISONO. Definitely. That energy has to be channeled to something constructive. I think work and education are the two most constructive things we can do.

Mr. KASTENMEIER. Mr. Trivisono, in your written statement you dealt more specifically with it, but one of the problems we seem to have—and I suppose for understandable reasons—is the competition with possible outside private industry for certain prison industry pursuits—for example, making traffic signs—that clash. I suspect in many State systems this clash presents such a problem that the result is that the correctional authorities in the State politically shy away from potentially getting into activities in which there's going to be a real economic fight with an outside enterprise. I suspect the result is that we, therefore, have fewer opportunities, not more opportunities, for prison industries in State settings.

Mr. TRIVISONO. Yes.

Mr. KASTENMEIER. Would you comment on that?

Mr. TRIVISONO. I would, sir. I think you're exactly right. It's exacerbated in the State system because of the size of most of the States, and the implication that the prison administrator himself is not a policymaker, but a policy implementer. Much of this policy comes from State legislatures and from the Governor's office. Where there is a high population of a given industry in a given State, it is very difficult for an administrator to even suggest that maybe we should get into this business. So he does shy away, fully knowing that not only his career but the attitude of the department of corrections and their legislative mandate will be severely threatened. So there isn't a great deal of push in some areas.

I am originally from Rhode Island, and I ran the correctional system from 1969-74 there. Although farming in Rhode Island was a prison industry, and in a very small State like Rhode Island farming was of very little concern, whenever we had to give up our

farm because the farm lobby in that little State forced the legislature to move to eliminate the prison farm.

You say well, we only lost about 20 jobs, but it's 20 jobs here and 20 jobs there and 30 jobs here. So there is those kinds of pressures in each given State, and I couldn't enumerate them for you because it depends upon what is important in that particular State for that particular concern of the legislature.

Mr. KASTENMEIER. Looking prospectively from 1984 into the future, and agreeing with the assessment that we're not going to have a diminished prison population—at best, it will probably remain about the same, or it may increase—and given that we need to find things for these people to do—and I think we're talking about industries—how could we go about resolving these conflicts with both labor and industry in terms of the pursuits that may be followed in prisons? Sensing the political difficulties, do you have any ideas?

Mr. TRAVISONO. Well, my only thought on that, Congressman, was what I said earlier about mandating some kind of advisory committee that has to come together for rational thinking on this—

Mr. KASTENMEIER. At what level?

Mr. TRAVISONO. At the State government level, mandated that each State department, in order to receive some funds, would do it in this particular way.

I think the Federal model is a good model. They have a body made up of labor and industry and citizens. I think that helps to keep on a level keel what they're going to do. So I think many of my colleagues would feel very comfortable in having—I know the State of Florida has moved in that direction, to have a corporation set up of private and public figures working together. But we don't find them very much in the northern industrialized States, where most of the problems are occurring and will occur. So I think if we could either mandate that or suggest it, or make it a part of this bill, I think you will have, working together—because I think labor and industry are quite willing to work. They know the problem. They know that it can't be solved by having idleness in our prisons.

We know and you know and everyone else knows that idleness brings on a riot, and where we reluctantly want to spend \$1 million to improve programs, we will gladly spend \$5 million or \$10 million to repair the riot. So I think common citizens working together will feel that there is a necessary working relationship that must be established and can't be avoided.

Mr. KASTENMEIER. While we could not accommodate everyone who might have otherwise appeared this morning, I will note for the record that a number of industries would have liked to have appeared or submitted a statement. These include the Printing Industries of America, who have written us, the American Traffic Services Association, and the Association of Federal Drapery Contractors, whose statements or letters I would ask unanimous consent to accept for the record, as well as the testimony of Mr. Norbert R. Berg, deputy chairman of Control Data Corp., who I do not think is complaining about competition but, rather, is affirmatively interested in the program. It may be that we will need to examine more closely the comments of industries.

## [The materials follow:]

## TESTIMONY OF NORBERT R. BERG, DEPUTY CHAIRMAN, CONTROL DATA CORP.

Mr. Chairman and members of the Judiciary Committee and more particularly, Mr. Chairman and members of the Sub-Committee on Courts, Civil Liberties and the Administration of Justice, thank you for the invitation to provide you with my written comments on H.R. 3362 and H.R. 2175, both of which deal with the interstate commerce of inmate-produced products.

Since 1969, Control Data Corporation's mission has been to address society's major unmet social needs as profitable business opportunities.

Crime—and its solution; prisoners—and their rehabilitation; and prisons—and their costliness, surely qualify as major unmet needs of our society. If the private sector can find ways in which to deal with each in more humane and cost-effective ways, these solutions surely would be profitable business opportunities.

Our own involvement in corrections predates our corporate mission. For almost twenty years we have applied the technologies and the management skills of our company to prison problems with considerable success.

Since October of 1981, we have had a major contract with the Minnesota Department of Corrections to utilize inmates to assemble disk drive frames and electronic harnesses. There are currently 160 inmate workers employed by the Minnesota Department of Corrections under this contract. These men have exceeded the quality control standard of Control Data every month since April of 1962. Not only can inmates be productive workers, but given the chance they can be contributors to the gross national product.

Besides our prison involvements, Control Data has located and now operates several inner city plants in neighborhoods of some of America's major cities. We have over 2,000 people employed in these plants. In doing this we were not being philanthropic but truly believed that inner city workers can be quality producers. They have met and exceeded our expectations. In locating these plants in these areas, we learned a great deal about the problems of the people who reside in these areas—absenteeism and its causes; domestic violence; drugs and alcohol; arrests and detentions; child care needs and a host of other problems which affect the ability of these people to get to and stay at work without interruption. We met these problems with a willingness to change our rules and to find new solutions. The relationship of crime to the inner city has helped us to understand more about those who end up in our prisons and we are determined to find new solutions to the problems which send these men and women to prison and to interdict the high recidivism which frustrates correctional administrators and government leaders.

Jobs and the ability to earn a decent living are certainly at the focal point of these solutions. But just as important is access to affordable and meaningful education and training. Control Data Learning Centers now operate in 200 locations across the country and we also have education and training programs in sixty-three correctional institutions in twenty-three states.

We are firmly committed to this area of corrections. In January of 1982, Control Data Corporation became the first Fortune 500 company to establish a formal Corrections System Division to address in a focused way the needs of corrections.

I mention all of the foregoing because I want to emphasize our involvement, our knowledge and experience base in this area, and our commitment to solving the problems of corrections in the United States.

The present state of corrections in America is an issue of critical importance to every citizen. In spite of the best efforts of the thousands of men and women who administer corrections and who staff our prisons—people who are dedicated, hard-working and concerned—corrections problems have still reached critical proportions. The way prisons are currently situated, these professionals are also a population-at-risk because they are the front-line against disorder and violence. A change in how we administer prisons would definitely make these places safer, would be in the staff's best interest, and would reduce the high level of staff stress which takes its toll in heart attacks, breakdowns, alcoholism, and family break-ups.

The problems of corrections should not be reduced to a war of labor against industry or of business against competition. The problem of corrections should be addressed by asking ourselves what the values of America are and how what we do in prison contributes to improving inmate attitudes and desires to embrace these ethics and values.

In America, we value education. In prison, inmates enter illiterate and leave much the same way in all but a few of the most enlightened systems. People who cannot read and write and perform basic math cannot be expected to compete suc-

cessfully in the labor market. Clearly, this kind of illiteracy is against society's best interests.

In America, we value job skills. In prison, inmates enter and leave without marketable job skills. Over and over we are made aware of the link between unemployment and crime. It is no accident that prison populations rise in direct relationship to unemployment. People need skill training not only to enter the labor market, but to have a chance for long-term productive employment. Continued job skill deficiencies are not in the best interest of this society.

In America, we value independence and self-reliance. In prison, we foster dependence and we promote the welfare state model by housing, feeding, clothing, recreating, and medicating the inmate—all at state expense. We cannot expect men and women who are confined an average of twenty-eight months to return to the community as self-reliant and self-supporting if we continue to run prisons in ways which do not promote responsible behavior. For healthy men and women to be confined and shorn of all responsibility for their own lives is not in the best interest of this society.

In America, we value the virtue of work. In prison, inmates are overwhelmingly idle.

All of this contradiction between what America values and cherishes as a national ethic is lost in the translation of what it provides when it takes total, twenty-four-hour-a-day control of over 430,000 men and women who are in prison in the U.S.

In the 1930's, there was indeed a need for the government to intervene and protect inmates from unscrupulous exploitation by corrupt public officials and greedy private sector opportunists. Prisons of that day were, however, not terribly unlike the community they mirrored where sweat shops exploited the labors of free men, women and children.

The prisons of today could be changed into productive places with little fear of that exploitation happening again. Prisons are no longer hidden, out of the way places with little public attention. Today there are armies of lawyers ready to sue over any wrong; there are ombudsmen ever ready to investigate any charge of poor conditions; there are enlightened correctional administrators alert to fermenting problems; there is a level of better staff training and education and there is a revolving door of community friends and family members to hear and act on every inmate complaint.

Labor has complained that thousands of jobs will be going into the prison instead of to law-abiding people on the outside. Small businesses have complained of the threat of unfair competition from low-priced inmate-produced products.

Both claims are without substance.

There is no rush by business or industry to locate in prisons. Today, some seventy years after the enactment of the Prison Products Enhancement Act, our involvement with the Minnesota Department of Corrections is the most ambitious and successful project operating with one of the exemptions. At least three of the seven exemptions are in trouble, existing on a shoe string, and in danger almost each day of folding. Five of the other six exemptions do not equal altogether the number of inmate workers in our project at the Minnesota State Prison at Stillwater.

Operating in a prison is no easy task. Melding the needs of industry with the necessities of security requires enormous effort. Vacancies are frequent as inmate-workers are transferred to other facilities, paroled, discharged, or reclassified for misconduct.

In spite of the fact that Control Data has no desire or plan today to locate any more of its manufacturing or assembly work in any prison, it is time to either expand the exemptions of the Prison Products Enhancement Act or to totally remove the prohibitions of the Hawes-Cooper Act of 1929, the Ashurst-Sumners Act of 1935, and the Sumners-Ashurst Act of 1948.

Prison should not be an artificial environment where erring people are made abnormal. America should not lose the productivity of almost half a million people based where they live. We should not be containing a population equal to that of America's nineteenth largest city as a socialistic, welfare state. Prisons should be models of training, of education, and of work.

Prisons should be places where the inmates pay their way, retribute their victims, support their families, and save for their release. The social cost of maintaining prisons as they are today is measured in new victims and even higher public costs for retrial and reincarceration. Our choice is not between a current systems which is functioning at a high level of efficiency and effectiveness and some pie-in-the sky experiment. Our choice is between a costly, multiple billion-dollar system whose end product has a fifty percent or higher failure rate and a new concept of how to deliv-



er correctional services in a way which will truly prepare inmates for life on the outside, one which will embrace the most basic of America's ethics of work, education, and training.

I commend you for your consideration of a solution to this serious problem of prison idleness. I urge you to support either of these bills which will expand the number of exemptions available under the Prison Products Enhancement Act or which will remove the prohibitions of the Hawes-Cooper Act, the Sumner-Ashurst Act, and the Ashurst-Sumner Act altogether.

Thank you for this opportunity to express my views on this important issue.

## TESTIMONY OF THE AMERICAN TRAFFIC SERVICES ASSOCIATION

### INTRODUCTION

Thank you for inviting the American Traffic Services Association (ATSA) to testify to the Subcommittee on Courts, Civil Liberties and the Administration of Justice Concerning House Bill 3362, "Prison Industries Improvement Act of 1983" and bill H.R. 3684, "Federal Correctional Education Assistance Act."

The American Traffic Services Association is a national trade association in its 15th year representing companies which supply over 80% of the temporary traffic control devices and signs used on our national highways. ATSA members for the most part are small family-owned businesses ranging from companies with only three employees to those employing about 60 plus people. We have a total of 240 member companies with offices in 432 locations in 46 states.

ATSA works very closely with the legislative, executive and judicial branches of our national government, and government agencies in the states. ATSA has testified to both the House Surface Transportation Subcommittee and to the Senate Subcommittee on Transportation regarding prison industries providing signs in direct competition with the private sign industry. We have also testified to the Republican and Democratic Small Business Platform Committees regarding the subject.

We work very closely with small business committees and the transportation committees in Congress. We have contacts with the White House and are working with the Office of the Chief Justice so we can have a positive input into prison industry reform. We also work very closely with the U.S. Chamber of Commerce, the National Federation of Independent Business, the National Association of Small Businesses, the Business Alliance on Government Competition, Associated General Contractors, American Road and Transportation Builders Association and the Small Business Administration. ATSA also works with the Federal Highway Administration and the states' departments of transportation to promote safety on our nation's highways.

### PROBLEMS IN PRISONS

The problem with prison industries is a very complex dilemma, because there are two sides to the story. The April 23, 1984 issue of U.S. News and World Report contained an excellent article about the national problem of coping with our overcrowded state and federal prison systems in which a record 438,830 persons are now serving prison terms. They estimated that the cost to taxpayers runs about \$10 billion a year or \$16,000 per inmate. Overcrowding is not the only problem facing correctional personnel. The number one problem is idleness. What do you do with 438,830 inmates? In the U.S. our correctional institutions have decided the best way to solve some of these problems is through rehabilitation and training which includes the concept of prison industries.

Ninety-five percent of inmates will return to our communities as free citizens, but while in prison time goes on and on and on. It is in this passage of time that prison industries find their justification. Nothing is more dangerous than for inmates to have nothing to do except watch the hands of a clock go around hour after hour, day after day, year after year. Idleness. Do we want to return inmates to society to commit more crimes or do we want them to start a new life with an education and trade?

Statistics prove that inmates engaged in prison industries are less likely to return to prison. Prison industries reduce idleness by occupying inmates time. They also provide an employment program which, with improved efficient cost analysis and effective management, could have the potential to reproduce within prison walls a reflection of the real world, which could instill in inmates an appreciation of our U.S. work ethic, responsibility, dedication, loyalty and working 8 to 5.

# FACTORIES WITH FENCES

"Factories with Fences" is the prison industries approach to the correctional dilemmas. As Chief Justice Warren Burger has said, factories with fences is an "idea too important to give up." According to the Wingspread Task Force Report, the primary intent is to examine ways in which inmates may be constructively employed during incarceration to better prepare them as productive citizens after release and to explore and encourage the use of the private sector enterprise to assist in release preparation. The objections of these programs are many and varied, but emphasis is placed on: (1) reducing idleness by means of introducing meaningful work opportunities, (2) job training and preparation for facing the outside world, (3) reduction of the cost of incarceration, and (4) restitution to the victims of crimes. The task force also recommends standard accounting principles or procedures to be used to account for profitability.

In a speech delivered to the graduating class of 1984 at the University of Arkansas, Chief Justice Burger said the inmates in state prisons learn few useful skills and leave with the imprint of prison on them. He also said he advocates jobs with pay for all prisoners, mandatory schooling for those who fail to meet minimum educational standards, good athletic facilities and after-care programs for released prisoners. Obviously, the Chief Justice feels the present prison industries program needs reforming and needs to be better regulated.

## LEGISLATIVE SOLUTIONS

At the present time federal legislation prohibits prison industries from manufacturing and selling goods for private use. The American Traffic Services Association has conducted an intense investigation of prison industries including visits to numerous prison industry systems, and we feel that the Chief Justice's goals and reforms need to be realized. If prison industries are going to be used as a tool for correcting one of the major problems of our country which is rehabilitation of criminals, federal laws must be changed to allow prison industries to sell to the private sector across state lines. Therefore, the American Traffic Services Association is in support of the concept of H.R. 3362. However, we also believe it is the responsibility of all concerned to make sure the private sector is protected from unfair competition that already exists in some prison industries and could certainly expand to others.

## PRISON INDUSTRIES AND THE PRIVATE SIGN INDUSTRY

The fabricators of highway signs in the United States have been competing directly with prison industries for the last half century. Therefore, we feel we are in the position to supply this committee with suggestions to ensure the protection of the private sector and allow the correctional institutions to fulfill their goals. If prison industries are going to be allowed to compete with the private sector, they must make responsible marketing decisions, play by fair rules of competition, and protect the private sector.

Historically, prison industry and the highway sign manufacturers have been able to coexist, but in recent years prison industries have become very aggressive and have managed to have a tremendous effect on the highway sign market.

Because of a lack of any type of national regulation, 37 states have been allowed to create highway sign shops without any regard to the impact on the private sign manufacturers in the U.S. The fabrication of highway signs is one of the largest industries within the prison industry system, and the smallest industry in the private sector competing directly with prisons for the same select market which is government. There is virtually no private sector market for highways signs.

## THE SIGN MANUFACTURING MARKET

The fabrication of highway signs is a very small industry with small businesses participating. Our industry has only ten companies large enough to sell highway signs throughout the U.S. The remaining 100 plus companies sell within their own region, state or locality. All highway sign companies in the U.S. are considered as small businesses by the Small Business Administration criteria.

The total market for highway signs is only around \$300 million which is a very small industry. The Departments of Transportation of the 50 states along with local government agencies supply 50% of the market which is a conservative estimate. That leaves a market of approximately \$150 million to be shared by prison industries and the private sector. We estimate that prison industries will produce \$30

million worth of signs in 1984 as compared with \$19 million in 1982. This gives you an idea of how prison industries are eroding the private sign market.

The fabrication of signs is material intensive and not labor intensive. Only about 6% of the cost of the signs is for labor. Seventy-four percent goes for materials, 6% for overhead and the remaining 14% goes for profit and taxes. Therefore, it does not provide meaningful training for inmates. We have not been able to find a single released prisoner currently working in the sign manufacturing industry.

#### PRISON INDUSTRIES IMPACT ON THE SIGN MARKET

There are a few states that conduct impact studies before they institute a new prison industry. Those states who have conducted formal impact studies have found that the fabrication of highway signs by prison industries would have an adverse effect on the private sector. Florida, Alaska and Arkansas are good examples of responsible states who did not allow the institution of sign shops after an impact study.

Without some type of control on a national level, the state prison industries could virtually squeeze out any market within the private sector. Highway sign manufacturing within prison industries is expanding at an alarming rate. In 1979 there were 27 state prisons in the highway sign business. By 1983 this had increased to 37 states fabricating signs. By the end of 1984 four more states are planning to add sign shops. This is a 52% increase in the number of prison shops in the past five years.

This is a real threat to our industry because squeezing out the private sector has already occurred in North Carolina, and it is occurring at the present time in Iowa. There are no manufacturers of highway signs in North Carolina. Large sign manufacturers such as Interstate of Little Rock, Arkansas; Lyle Signs in Minnesota; Superior of Mississippi; Vulcan of Alabama and Hall Signs of Indiana do not sell highway signs in North Carolina. In fact, Lyle Signs had a satellite company established in North Carolina for over 15 years, and in 1982 had to close down their operation because of the expansion of the prison sign shop. The amount of business lost to this company was about \$500,000 per year and 15 people lost their jobs. All fabrication of highway signs in North Carolina is now done by prison industries.

#### NEED TO REGULATE PRISON INDUSTRIES

Because of mandatory laws within the states requiring the purchase of state goods from the prison, and because of the unfair competition by the prison system, the private sector cannot compete with prison industries. Competition between prison industries and the private sector is unfair because:

- (a) Prisons receive lower prices from producers or suppliers of material.
- (b) Prisons pay very low or no wages to inmates. The average pay is 36 cents an hour.
- (c) Their bids are not calculated in a business-like manner. Normally they do not reflect the following: rent and upkeep of the buildings; utilities; original cost and maintenance of the equipment; freight; business costs, such as secretarial, bookkeeping, sales department, catalog, publications, etc. Their bid and their sales are usually based only on raw material costs and the need to keep inmates busy. Also we must remember prison industries do not pay taxes, upkeep of the buildings and other assorted niceties that the private sector must pay. These items are paid by the taxpayers.

The highway sign manufacturers are asking this committee to investigate all aspects of prison industries and to include in H.R. 3362 safeguards for both prison industries and the private sector.

We support the concept of prison industries, but we want them to be regulated. Small business must be protected, so their market will not be flooded by unfair competition and eventually a monopoly of their products by prison industries.

#### POSSIBLE SOLUTIONS

The American Traffic Services Association proposes the following possible solutions, many of which could be accomplished with federal legislation:

- (1) The creation of a national board of prison industries under the jurisdiction of the Department of Justice. This board would not regulate the state prison industries' day by day operations but would monitor and regulate the type of industries instituted by the states. This would protect the private sector from overflowing of prison-made products into their markets.

This board would also set criteria for the choice of the types of products or services to be provided by prison industries. The criteria should include:

- (a) Correctional centers should choose industries that have a well-established private market.
- (b) That established market should be large in dollar value.
- (c) Correctional centers should choose labor intensive markets and engage only in an industry where the prison industry would not be a major factor and possibly eliminate private enterprise.
- (d) Evaluate proposed new industries and require states to conduct an impact study within their state before a responsible, reasonable decision can be made.
- (e) To evaluate prison industries impact on present industries and develop ways to make competition fair for all concerned. If the board determines that the impact is too great on the private sector, action would be taken to reduce that impact by phasing down that particular industry. The prison industry and private sector could work together to solve these type problems.
- (2) Prison industries should be required to compete fairly and sell products at fair market value. They should be self-sustaining and use standard accounting principles.
- (3) Prison industries should not receive an unfair discount in the purchase of materials.
- (4) Prison industries should not influence the market but work within a market already established by the private sector.
- (5) Correctional centers should be required to adhere to and meet the purpose of the prison industries which are: rehabilitation, employment of inmates in a labor-intensive market, and the teaching of skills which can be used after release.
- (6) Inmates should be required to attend school and/or some type of vocational training program.
- (7) Prisons should institute incentives which encourage inmates to participate in work programs.
- (8) Prison industries should be incorporated with a board of directors representing the private sector, the educational profession, labor and corrections. This corporation should adhere to the same federal, state and local laws as the private sector.
- (9) Inmates should receive wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed. Inmates should pay the following:
  - (a) Federal, state and local taxes.
  - (b) Reasonable charge for their room and board.
  - (c) Allocation for support of their family.
  - (d) Compensation to their victims.
  - (e) Percentage of wages put into savings.
- (10) Part of the profit gained from prison industries could be matched by state, federal and/or private sector funds and used to follow-up inmates release from prison, to help them get a job, a place to live and a helping hand so they may be socialized back into society.

#### MODEL PRISON INDUSTRIES

There are several models this committee could inquire about that would give a cross section of ideas on how to solve many of these problems. Some of the examples are:

- (1) Unicorn which is the Federal Prison Industry System. It is the opinion of the American Traffic Services Association that if the states would conduct business on the same responsible basis as Unicorn, we would not be having problems coexisting with prison industries. The positive parts of Unicorn are as follows:
  - (a) Unicorn is a well managed corporation.
  - (b) They sell their products at fair market value.
  - (c) Materials are purchased at the same cost as the private sector.
  - (d) By law Unicorn adheres to and meets the purposes of the prison industry which are rehabilitation, teaching of marketable skills and reduction of idleness.
  - (e) Unicorn is self-sustaining; implementing standard accounting principles and profit/loss statements.
  - (f) Unicorn protects the private sector and bends over backwards to work out problems involving the private sector.
  - (g) It is mandatory in the federal prison system that all inmates work while they are incarcerated.
  - (h) It is mandatory that inmates receive education up to the eighth grade level with incentives to continue either in a vocational or higher academic level.

(2) Pride, Rehabilitation, Industries and Diversity Enterprise, Inc., also known as Pride from Florida. The positive aspects of Pride are:

(a) Pride is incorporated and adheres to all the corporate laws of Florida.  
 (b) Even though they are nonprofit, their Free World cost analysis is based on profit and loss.

(c) Florida conducts an impact study on all new proposed industries.  
 (d) The work in partnership with the private sector, state agencies and the legislature.

(3) Utah Prison Industries. The positive aspects of Utah Prison Industries are—  
 (a) It is part of the federal enhancement pilot program, therefore it is monitored and audited by an independent consulting firm.

(b) Utah has no mandatory laws regarding purchasing from prison industries and the state prison industry is allowed to sell to the private sector.

(c) Inmates receive wages at a rate of \$3.60 per hour.

(d) Inmates pay federal, state and local taxes, room and board. Money is allocated for support of their families, they have a fund to compensate their victims, and a percentage of their wages are put into savings. When an inmate gets out of prison, their average savings is up to \$1,000.

(e) They are not in the business of "putting out of business" the private sector but working within the framework of fair play and as an arm or supplier to the private sector.

#### FEDERAL CORRECTIONAL EDUCATION ASSISTANCE ACT

The American Traffic Services Association also supports the concept of H.R. 3684. It is the opinion of ATSA that the foundation to good citizenship is through education. The average education of an inmate is 5th grade. We agree with Chief Warren Burger that it should be mandatory that all inmates receive an education while in prison. It should also be mandatory that a citizenship class be taught. Rehabilitation, training of skills and instilling the American work ethic would be impossible unless the Correctional Educational System is upgraded.

#### CONCLUSION

The American Traffic Services Association believes it is fundamentally wrong for government at any level to be in competition with private enterprise if the private sector is capable of producing the needed product or service. But, as Warren Burger, Chief Justice of the U.S. Supreme Court has said, "factories with fences is an idea too important to give up."

We, the sign manufacturers and members of the American Traffic Services Association, agree. We also feel this particular government entity, prison industries, is an exception to the rule, because we understand the major problems facing correctional personnel. Our overcrowded prisons are a national disgrace. Trying to solve the problem of idleness is the top priority of correctional directors, and one of the answers is to assimilate inmates in a realistic work environment, teaching them the U.S. work ethic of the 8-hour work day, loyalty, dedication and rehabilitation.

But, on the other hand, we feel the highway sign industry because of its unique problems is also an exception to the rule. We have serious problems that must be addressed by responsible leaders. If you solve our problems, you have also solved the problems of any other private industry that would compete directly with prison industries.

STATE OF NEW YORK,  
 DEPARTMENT OF CORRECTIONAL SERVICES,  
 Albany, NY, July 30, 1984.

HON. ROBERT W. KASTENMEIER,  
*Chairman, Subcommittee on Courts, Civil Liberties and Administration of Justice,*  
*Committee on the Judiciary, Washington, DC.*

DEAR CONGRESSMAN KASTENMEIER: This letter is written to express the support of the New York State Department of Correctional Services for H.R. 3684.

The New York State Department of Correctional Services agrees with the findings and supports the purpose declared in Section 2 of this bill. There is a critical need for effective educational programs in corrections. The proposed Federal funding program would greatly aid state corrections agencies in meeting this need. This Department, therefore, urges the swift passage of H.R. 3684.

If there is any assistance which this agency can provide you concerning this legislation, please feel free to contact Mr. Frank Tracy, the Department's Director of Program Planning, Research and Evaluation at (518) 457-2433.

Thank you for your continued assistance in the field of corrections.

Sincerely,

THOMAS A. COUGHLIN III, *Commissioner.*

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GEORGIA DEPARTMENT OF OFFENDER REHABILITATION,  
*Atlanta, GA, January 4, 1984.*

Hon. ROBERT W. KASTENMEIER,  
*Rayburn House Office Building,  
Washington, DC.*

DEAR CONGRESSMAN KASTENMEIER: The Georgia Department of Offender Rehabilitation is extremely gratified by your initiative and continued advocacy for correctional education through Senate Bill 625/House Resolution 3684.

In January of 1983, more than 14,000 inmates were incarcerated in county and state correctional institutions in Georgia. Of this number, 75% were school drop-outs; 93% scored below the 8th grade level on the Wide-Range Achievement Test; 73% lacked current job skills; 85% were at or below the minimum standard of living.

In February, 1983, over 95% of our academic and vocational training slots in state correctional facilities were filled, but even if *all* slots had been filled, they would have accommodated only one-third of our inmate population. Projected state revenues for the foreseeable future offer little hope for additional resources for correctional education in Georgia. Additional funding through the Federal Correctional Education Assistance Act would enable us to improve our program and extend educational opportunities to more inmates, the vast majority of whom need substantial training if they are to become productive citizens.

Your continued efforts to ensure enactment of this vital legislation will be greatly appreciated.

Sincerely,

DAVID C. EVANS, *Commissioner.*

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STATE OF MICHIGAN,  
DEPARTMENT OF CORRECTIONS,  
*Lansing, MI, November 22, 1983.*

Hon. ROBERT W. KASTENMEIER,  
*Rayburn House Office Building,  
Washington, DC.*

DEAR REPRESENTATIVE KASTENMEIER: I would like to express the support of the Michigan Department of Corrections for Senate Bill 615 and the identical House Bill, H.R. 3684, entitled, "The Federal Correctional Education Assistance Act." These bills are now pending in various Senate and House Committees. I recommend that you support the passing of these bills. This is an excellent opportunity for the Federal Government to support and make a commitment in policy and practice to correctional education programs throughout the nation. These two bills will provide needed resources for correctional education programs which decreasing state funds cannot adequately meet.

The Michigan Department of Corrections has an average daily inmate population of 14,700 with approximately 3,900 prisoners attending various school programs. We could utilize grant funds received through the proposed Federal Correctional Education Assistance Act for the following possible applications: (1) Development of a needs assessment plan regarding the training needs of correctional education staff members; (2) Evaluate our vocational programs in terms of providing potential employment opportunities; (3) Update and revise our vocational programs; and (4) Provide and update prison school facilities which would enable us to increase our academic and vocational enrollments.

Please consider this letter as part of the official record in support of Senate Bill 615 and H.R. 3684.

If you have any questions, please contact me at (517) 373-0720.

Sincerely,

PERRY M. JOHNSON,  
*Director, Department of Corrections.*

Mr. KASTENMEIER. Do you have comment about the fact that the seven pilot programs have been under attack allegedly for noncompliance, I guess with respect to wage levels paid, if not, for competition that wasn't contemplated, and that the allegation is made that probably not only the three that are currently under review but all seven may be deficient in terms of prevailing wage scale.

Do you have any knowledge or comment about that, Mr. Trivisono?

Mr. TRIVISONO. I only have one or two. I think what Mr. Carlson said was correct. The interpretation of prevailing wage, some interpret the prevailing wage as industry-wide in the Nation, others, very locally. I think that is part of the hangup, whose interpretation is being used.

I think also there was an entrance or an ability to begin the program with less than prevailing wage, for a period of time the start-up, so to speak. I think it was several months, or maybe just a couple of months, and I think a couple of programs continued that beyond the point in time to gain some strength.

One thing that Mr. Carlson didn't mention that I think is very important is that when you allow one industry within a prison industry setting to do something very unique and different, there are the forces always there to knock it. One is the prevailing wages. So even if they weren't prevailing to the attitude of the community—say it was a \$3 industry, or a \$5 industry, whatever—but everybody else in the prison is making 60 cents a day, there is an innate problem there that somebody might try to sabotage that program because "I'm not getting the \$3, I'm getting 60 cents and I'm working the same amount of time" and so forth, and instructors might have some difficulty with it. So it stands out as a pilot project, and maybe the solution is to remove the pilot aspect of it and allow it to free float, so to speak, because of the limited number of concerns in a given State. You can only have one in a State program and not the whole State program. I have a feeling that that's basically one of the problems with it, or several of the problems.

Mr. KASTENMEIER. Is there any unwritten rule as far as grandfathering that prisons do against attack? For example, making license plates—some day some private industry may decide they want to seek the State contract and will claim the State prison is in competition with them, or anything else the prison does. Is there any way of insulating them from collateral attacks or on sale to the Federal Government? I'm talking about the Bureau of Prisons.—That apparently is something which could be insulated in terms of possible further erosion in terms of what they may do.

Mr. TRIVISONO. I'm not aware of anything, because we have so little experience in this area, Congressman, on what could be done to ensure what we have is not diminished. I would like to take the other approach, as I indicated, and put a limit maybe on the competitive nature of it in a given State, so that you don't bring on the wrath of everyone as you move into new programs, but that you can't take more than a certain percentage of the market.

I used to think in my naivete that if I was in the State of Rhode Island I would not manufacture anything in the prison that was made in Rhode Island. I would go outside and get things that we bought from California and there would be no problem in Rhode

Island. Well, by the time we all did that, we all have the same problem as we move through. But there are some strategies.

As the Congressman said, foreign goods would be the easiest one if we could figure a mechanism for doing that. I'm not aware, and not many of my colleagues are aware. I know that Minnesota was making toy components for a West Germany firm and sending them over there for that, and that was through one of the seven State pilot projects.

Mr. KASTENMEIER. Thank you.

I yield to my colleague from Michigan.

Mr. SAWYER. Yes, Mr. Travisono. You said that General Electric sells these radios that are manufactured, and that's probably correct. But why couldn't they be sold to General Electric? I think you could come in at whatever echelon of distribution the import comes in to, without provoking any difficulty domestically.

Mr. TRAVISONO. I guess we could very easily if we could compete with the market, with the cost. That is the problem.

Mr. SAWYER. The prevailing wage, of course, is a very difficult thing. The only place that it's effectively used is in construction, where, of course, you're in a specific locale and even then they have some difficulty, but it can be done. However, with manufactured goods, they are really being sold in competition all over the United States in general. So if you were really going to try to get a prevailing wage, it would have to be kind of a national average wage for that kind of industry. The local prevailing wage such as we have in some of the Federal laws on construction is kind of a different problem than trying to get a prevailing wage in another industry.

Well, thank you very much. I have enjoyed the testimony. And I now totally understand your figures, Mr. Linton. I read them too fast before.

Thank you. I yield back.

Mr. KASTENMEIER. Under H.R. 3684, may I ask, is the allocation of funds primarily on a prison population basis a sound basis for distribution?

Mr. LINTON. I think it is by far the simplest basis for distribution. I think there is some advantage in simplicity. I certainly can understand the concern in terms of rewarding States with a higher rate of incarceration. The problems that the States face, in terms of providing educational service, is directly related to the number of inmates they have incarcerated. I think the point that Congressman Conyers made earlier, that the amount of money is insignificant in terms of the cost, is really quite true. So I don't think there is a practical danger, although whether it's a philosophical issue, I'm not sure.

Mr. KASTENMEIER. Well, this time I asked the question in the context of a formula which would allow for sufficiently funded programs or whether it would be better to allocate funds on the basis of demonstration programs or on some other competitive basis? Would that be sounder than just on prison population alone?

Mr. LINTON. The legislation is very permissive, and if the State spent a little money doing everything, with every type of population that is listed there, there would be very little impact. I am sure, though, that as the States make some decisions about prior-



ities at the State level, through the departments of education—and, incidentally, we do fund the correctional education program in Maryland through the Department of Education; we do that to protect the resources from being diverted for cost-of-confinement type issues—I think the priorities could be set on a meaningful basis and I think there would be targeting. I don't think the money would be spread so thin that it would have no impact.

Mr. TRAVISONO. If I may comment, I don't think the courts would care very much whether a State received \$100,000 extra Federal money or \$300,000 extra Federal money in their commitment rates. I just don't think they pay attention to that. That's not their responsibility. The bottom line would be if there was some other formula suggesting that the State reduce its population, some other formula mechanism, it would be punishing one part of the system for the other system feeding the system. We are always being looked upon as the culprit in the system, and all we do in corrections is take those who have been sentenced and try to do the best we can with them. We don't bring them in except on parole violation. So it's a very small number. So a judge will not sit back and say "I think I'll send five more because they've got Federal money." I just don't think that will happen.

Mr. KASTENMEIER. Well, on behalf of the subcommittee, I want to thank you both, Mr. Linton and Mr. Travisono, for your contributions today in this very important area.

Mr. KASTENMEIER. Our final witness today—and I appreciate his patience—is Mr. John L. Zalusky, an economist with the Department of Economic Research of the AFL-CIO. We are very pleased to welcome Mr. Zalusky as the representative of labor. We also invited a representative of industry, Control Data Corp., to testify, but they couldn't schedule a representative. Their statement has been received and made a part of the record.

Mr. Zalusky.

#### TESTIMONY OF JOHN L. ZALUSKY, DEPARTMENT OF ECONOMIC RESEARCH, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. ZALUSKY. Mr. Chairman, I appreciate the opportunity to be here, particularly before you as chairman. I came from Milwaukee.

With regard to the topic of these hearings, I think I will just let the statement that we introduced—and I'm sorry it was so late in getting here—stand. I would just say to you that the AFL-CIO generally supports prison industries for rehabilitation and humanitarian goals. Among those are family support, victim/witness restitution funds.

We are concerned with the seven demonstration projects. We have gone into these in detail in our prepared statement. Part of our concern is the absence of paying prevailing wages. There has been very little involvement of labor in terms of consultation, and the concern about unemployed workers in the area was ignored in the first program that came down the pike. Each of these concerns deals with specific provision of the existing law.

The rehabilitation programs through the education bill that is before us, we can support wholeheartedly, but we do have grave

concerns about opening up the prison industries concept generally, without improvement on the existing legislation that is in place.

We are, in a sense, on the horns of a dilemma with this, because to strongly insist upon the enforcement of the existing provisions after these programs have been established would probably cause them to stop. We really don't want to do that. But we do want to ensure that the authorities abide by the intent of the statute. We don't want to see these prisoners lose the rather meager work experience they now have with its hope for job opportunity when freed.

Some of the things that we would suggest, however, with regard to the existing 1979 models, under the Prison Industries Enhancement Act—I'll just spend a moment on these points then we can go on—is that the prisoners be accorded the provisions of the Fair Labor Standards Act and the Occupational Safety and Health Act, that the wage rates be the same as they are within the industry, not locality, and also that there be assurance that they not displace free labor.

We also suggest that a board of directors be made up, consisting of private industry, organized labor, and State government people, and with at least one prisoner on that board, so the directors get some feedback as to what's going on as the prisoners see it.

With regard to the prisoners, we think their participation should certainly be voluntary, that there ought to be some form or means of due process within the work setting to ensure that they have some voice within their working conditions, that the wages paid be reasonable, have reasonable deductions taken out for their care and keep, and dependent family support—and that's one of the tragedies of paying less than the prevailing wage to these people, because the system not only takes the money from them, it takes the money from the dependent families as well. They would otherwise be able to earn fair ways if they were in fair competition.

That the moneys taken out for victim restitution and witness help and so on go into a fund rather than being paid individually to the individuals on the outside. Because there is unevenness in terms of what people go to jail for and the amount of money that might be due will be different between prisoners. Without the fund approach they would all be receiving different rewards for the same work.

With regard to the educational bill, Congressman Conyers' bill, we would also like to see a governing, community-based board working with this program so that we can at least identify where jobs are likely to be in the private sector when prisoners come out.

We are somewhat concerned about the formula for distribution of the funds because it is based on the prison population. We would prefer to see it based on the type of program they have and the needs that for educational experience. We would also like to see the community colleges and higher education system involved as well as the basic educational program, and we would also like to see some labor management cooperative programs dealing with such things as apprenticeship and pre-apprenticeship training for occupations that are likely to be in demand in the future.

With that, I would be glad to answer your questions.

[The statement of Mr. Zalusky follows:]

STATEMENT BY JOHN L. ZALUSKY, DEPARTMENT OF ECONOMIC RESEARCH, AMERICAN  
FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The AFL-CIO is pleased to have the opportunity to present its view regarding prison industries and convict labor generally while addressing the purposes of the "Prison Industries Improvement Act of 1984" (H.R. 3362) and the "Federal Correctional Education Assistance Act" (H.R. 3684). The AFL-CIO supports the "Federal Correctional Educational Assistance Act" bill; however we oppose any further lifting of the bans on interstate shipment of prison made goods. Before going into the specifics of these two bills we want to provide some background of the AFL-CIO's experience with convict labor and the basis for our position.

In 1881, the founding convention of what was to become the American Federation of Labor issued a statement which called convict labor "a species of slavery, degrading to the criminal, demoralizing to the honest manufacturer, and causing paupers of free labor."

When organized labor celebrated its centennial in 1981, two AFL-CIO departments were actively working with prisons in training workers for the skilled trades apprenticeship programs with the intent of providing good jobs for prisoners when they are released. And AFL-CIO President Lane Kirkland, like his predecessors, serves on the Board of UNICORE, the federal prison industry.

For all of the 100 years in between—and undoubtedly into the foreseeable future—the American labor movement has been guided by the twin goals of helping to rehabilitate prisoners through work skills and of protecting the jobs of other workers from unfair competition of prison labor.

In the days surrounding the 1881 convention resolution, there were cases of prison labor being used to break strikes by free labor and examples of prison industries unfairly competing with free labor and businesses and exploiting convicts. In 1979, an AFL-CIO affiliate, the United Food and Commercial Workers, worked with congressional committees on labor protections to be included in the "Prison Industries Enhancement Act" of that year. Ironically, workers from that union lost jobs due to the first of the seven demonstration projects authorized by that 1979 Act.

In short, prison labor is not a new issue to the AFL-CIO—and it is an issue on which our interests and concerns are well established. There are three underlying themes behind the renewed interest in prison industries and every advocate seems to hold more than one.

The first is based on the cost of prisons. The last decade's stress on "law and order," mandatory sentencing, and longer terms has contributed to a steep increase in the prison/jail population. The United States now has the highest incarceration rate in its history, resulting in overcrowding and increased need to construct new prisons. This is very costly. City and state governments see prison industries as a way of at least recovering this cost. But if this cost recovery comes at the expense of free labor's jobs, some workers will be paying an unfair price for their fellow taxpayers.

A second driving force seems to stem from business interests seeking a variety of profit opportunities, through access to a cheap labor force with low overhead costs.

The third is one of humanitarian concern for prisoners and the fact that sitting idle or doing useless work can be a cruel form of punishment—and certainly does nothing to rehabilitate the prisoner.

The AFL-CIO fully shares these humanitarian concerns.

The impact of convict labor on the employment security and opportunities of free labor is a basic issue. In June 1984, there were 8.6 million unemployed workers, 6.1 million working part time involuntarily, and another 1.3 million workers so discouraged they have stopped looking for work. The prison and jail population is now about 700,000 (roughly 300,000 in jails and 400,000 in prison) and growing at nearly twice the rate of our population growth. Employment of both types of prisoners is now being experimented with. Their employment may seem to have a minor impact on a labor force of 105 million, but consider where the impact will fall.

Some writers have advocated the employment of more than 40 percent of the inmates, or about 300,000. This may be a low estimate, since at the turn of the century 80 percent of the prison population were employed. The proposed bill provides—as did the Prison Industry Enhancement Act of 1979—that there will not be adverse impact on free labor. Nevertheless, we have found this provision ignored.

The Act also provides that prevailing wages be paid to convict labor. Our understanding was that prevailing wages would be fair to the prisoners and to free labor and business. However, this provision has been subverted through improper wage determinations below any reasonable wage for comparable work in the locality. The emphasis is on keeping the private entrepreneurs in business—a consideration not

even mentioned in the Act—rather than fairness to the prisoners, free labor or free business.

The "demonstration projects" under the 1979 Act all violate the spirit of the prevailing wage provisions of the Act. The Minnesota CDC Component Assembly Project was established in 1981 and was certified to pay \$3.40 to \$3.80 per hour. The minimum wage was then, and is now, \$3.35 per hour while the prevailing national wage for electronic assembly was then \$7.37 per hour according to Bureau of Labor Statistics data on average hourly earnings for the industry.

The product of this prison labor competes with free labor and free business in interstate commerce. In fact, in this case it competes in international trade while we limit the importation of convict made goods. The basis of the "wage determination" was the employer "orders" for help placed with the Minnesota State Employment Service. This is not a wage survey; these "orders" are more like want ads and the jobs may not have been filled at that wage. Furthermore, the wage level used was entry level without regard to how long the employer intended to pay the wage. The whole entry level argument presented by Control Data and the prison authorities is compromised by the fact that they pay prisoners only \$1.50 per hour as a "trainee" rate for six months; this would be a violation of the Fair Labor Standards Act in the private sector.

A second demonstration project is under way at Stillwater, Minnesota, with prisoners doing metal fabrication work in the farm equipment and office furniture industries. The wages paid the convicts are \$3.35 per hour to \$4.55 per hour. Again, its the federal minimum wage to a maximum of less than half the industry wage. The regional office of the International Association of Machinists in Minnesota reports that the prevailing entry wage for this work is between \$7.00 and \$9.00 per hour depending upon specific classification in their agreements. There is no justification for such low wages under the Act and the facts are about the same as in the above paragraph.

The Utah Graphic Arts Projects paid prisoners \$3.35 per hour to \$3.40 per hour. At the time the Bureau of Labor Statistics found industry average wage was \$8.45 per hour for work by letterpress and \$9.08 per hour by lithograph.

The Zephyr Inc., "demonstration project" at Leavenworth, Kansas is paid \$3.60 per hour (\$3.35 plus an attendance bonus of \$.25) and is below prevailing wages for similar work. BLS studies showed the average hourly wage for the metal stamping industry as \$6.91 when this project was certified.

The other projects all paid basically the federal minimum wage rather than an industry wage. The rationale has been that this was justified due to high turnover, rural location, and the need for the firm to make a profit. First, the Act does not provide that these firms be profitable at the expense of the convicts, free labor and other enterprises. Secondly, many of the demonstration projects are within Standard Statistical Metropolitan Areas, so the rural area argument does not apply. Industry wages are the only fitting comparison because the product enters interstate commerce and the 1979 Act should be corrected to reflect this.

On the other hand, the labor market does fit an analysis of employment effects. Today we are discussing prison industries that employ a relative few and displace a few. But the AFL-CIO's experience goes back to when 80% of the prison population was employed in competition with free labor. The direct competition with free labor in the locality was a major source of labor discontent with the former convict programs. We do not want this to reoccur.

Setting up a prison labor project in a community with high unemployment of similar skills would be destructive to the acceptance of the whole concept of the 1979 Act. Thus the Act provided "inmate labor will not result in the displacement of employed workers, or be applied in skills, crafts or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services." This provision, like the prevailing wage provisions, has been violated.

The first project under the 1979 Act was a hog slaughtering plant in Arizona. What had happened was the Cudahy Co., owned by General Host, closed its meat packing plant, laid off 400 workers, leased the plant to the Arizona Department of Corrections for \$300,000 as a joint venture with the Arizona Pork Procedures Association, and then reopened part of the plant with 60 convicts and intended to expand. This neat package, with product and supply markets intact, clearly violated employment provisions of the 1979 Act. The venture failed, and disruption caused by the effort made it that much less likely that another buyer for the plant would be found.

Although the Justice Department was in the process for approving this Arizona "demonstration project" there had been no communications with local labor representatives as required by another provision of the Act. In fact, the spirit of the Act's

consultation requirement "with local union central bodies or similar labor organizations" has been consistently abused.

In Minnesota there had been a citizen's advisory board to the Department of Corrections prior to the 1979 Act. Leonard La Shomb, Vice President of the Minnesota State Federation of Labor, served on the board for years and was replaced at the Federation by Bernard Bremmer, also a Vice President. Shortly after the Act was passed, the board was dissolved and there was no further consultation with labor on the two "demonstration projects" now operating in the state. Largely at Bernard Bremmer's initiative there are now discussions under way to form a new organization. It is hoped that this organization will be more than consultative or advisory, and have effective control over the operation of the prison industries.

Based on its experience, the AFL-CIO has found each of the 7 "demonstration projects" wanting on at least one, if not all of the three labor protection elements in the Prison Protection Act of 1979 (18 USC 1761(c)). The Justice Department has not shown real interest in enforcing these provisions. In labor's view the demonstration projects have been a failure and certainly should not be extended or treated as success, justifying elimination of the ban on interstate commerce now proposed.

Rather than lifting the ban on interstate commerce for products of prison labor, the seven demonstration projects should be revised to see if they can abide by the standards of the Act and provide for a new labor-management review committee.

Workers and their unions support the rehabilitative aims of prison job programs. They expect and deserve changes in the law to protect their own jobs through enforcement provisions strong enough to prevent violations.

In the public interest, we also urge amendment to the Prison Industries Enhancement Act to provide coverage under the provisions of the Fair Labor Standards Act and the Occupational Safety and Health Act.

Employed prisoners should be paid at the same hourly rate as free labor working at comparable jobs in the same industry. These wage rates should be based on the BLS national industry wage statistics if the product enters into interstate commerce.

Piecework rates, if used, should be based on a standard hour system provided that one hundred percent performance is set to yield the above prevailing industry rate and normal incentive performance yields 125 percent of this rate. There must also be allowances for personal time, delays and fatigue, and a procedure for "clocking off" standards for conditions beyond the operator's control. This is consistent with normal industry practices.

Prison labor must not displace free labor by entering into a labor market where there are free workers seeking similar jobs, or cause the loss of existing free labor job opportunities through the loss of existing contracts for goods or services.

The prison industry should be reviewed by a board of directors made up of representatives from private industry, organized labor, and state government in equal proportions, including a representative of the state labor department and one prisoner representative. This board's authority would be limited to the operation of the prison industry with correctional issues remaining with the state's department of corrections. The principal objective of the prison industry is to provide a rehabilitative and meaningful work experience for prisoners in preparation for employment in the free labor market, i.e., they should leave prepared for work in occupations paying better than the entry level jobs they could have obtained before incarceration.

As to the working prisoners, they must be accorded certain basic rights enjoyed by free labor; if not, the charge of slave labor can be raised. The 14th Amendment to the U.S. Constitution freed the slaves, but excluded convicts from its protection. Prisoner participation must be voluntary in real terms, i.e., the alternatives to prison labor should be reasonable. A refusal to enter a prison industry should not result in significantly different forms of confinement or treatment. There is a despicable history of prisoner treatment in the earlier American experience with prison industries. They should also have available a means of due process with regard to working conditions and work related discipline through a final and binding grievance process to an impartial third party.

The wages paid prisoners should have reasonable deductions made for basically the same expenses incurred by free labor. These deductions should include federal and state taxes, a reasonable charge for room and board, and dependent/family support. The issue of "restitution"—which ought to be considered to include victim compensation and victim/witness assistance, in addition to direct restitution as commonly understood—does present a more complex issue when dealt with in the context of rewards and incentives to work and learn.

Various crimes precipitate varying needs for "restitution," from "victimless" offenses to computer crime to drunk driving, to rape, to murder. If convicts all received the same basic wage, but incurred different "deductions" for various crimes, the final effect would be different real rewards for doing the same job. This would not lead to a productive workforce and would build resentment rather than job related skills. A better approach might be paying a fixed share of all wages into a victim service fund. In any case, these workers should receive a reasonable percentage of their gross earnings.

The idea of prevailing wages for convicts should also cause the community to reconsider the role of correctional officers. In too many ways society places the role of correctional forces out of mind in the same way the convict is removed as a threat. If society wants to reduce repeat offenders through occupational opportunities gained in prison work, then it must upgrade the role of the correctional officers. Retaining experienced officers and recruiting a quality force of skilled correctional officers requires, among other considerations, good pay. It is a dangerous job requiring a high order of human relations skills. Yet the Office of Personnel Management recently forced a wage downgrading of over 1,100 of the 1,500 federal wage board supervisors who supervise prisoners working in the federal prison industries and maintenance jobs. This action is short-sighted and counter productive to the goals sought by the committee and which we in the labor movement support.

There are a number of questions that remain to be dealt with, some of which must be resolved before further experimentation and others that can be experimented with in a controlled manner.

With the above information in mind it is clear that we must oppose the proposed "Prison Industries Improvement Act of 1983" (H.R. 3362). This bill would treat the existing demonstration projects as successes and remove all limitations on the interstate shipment of the products of convict labor. This undermines existing state laws that limit convict labor to state use. The importation of goods from other states which pay prisoners low wages would be in direct competition with goods in the receiving states and would displace its workers and business.

H.R. 3362 would also reestablish federal prisoner road gangs and prison camps in Section 3. The AFL-CIO finds very little prisoner rehabilitation or job training in this type of work. The redeeming elements are of insufficient order to warrant the loss of these jobs by free labor. Many of the workers displaced by convict labor on these relatively low paying jobs will wind up on the unemployment and food stamp lines until they steal something and go to prison themselves.

Section 4 of the Bill basically extends to UNICORE, the federal prison industry corporation, the ability to compete in the private sector. At the present time it competes with the private sector for federal contracts from a preferred position and we fail to see what is gained from extending the market. But, more importantly, this section assumes that "demonstration projects" under the 1979 Act were successful and extends the same provisions to the federal prison system. We have found that the Justice Department has not enforced the existing law and feel that it is even less likely to enforce these rules against itself.

The AFL-CIO would also prefer to see the "surplus moneys" mentioned in Section 4(c) placed in a fund for victim/witness assistance and/or used to improve the prison industry training experience.

On the other hand, the "Federal Correctional Education Assistance Act" (H.R. 3684) is a bill the AFL-CIO can support. In that sense the following suggestions are made. First, the educational effort, like prison industries, should be governed by a community based board made up of state correctional officials, labor and business with an additional representative from the state's labor department and a prisoner representative. This would help ensure that training is relevant to existing and expected job opportunities.

It also seems that basing the allocation of funds on prison population alone rather than some index that would take into consideration the educational needs of the inmate population and number enrolled may not yield the desired results. The bill should also include higher education institutions such as community colleges in Section 3(5).

Section 6(8) should be changed to include labor/employer cooperative programs. In the past, a number of craft unions have helped with apprenticeship and preapprenticeship programs.

The AFL-CIO supports prison industries for rehabilitation and humanitarian goals, family support and victim/witness restitution funds provided that there is effective labor representation on governing boards, no unfair wage competition with free labor regardless of state borders and there are no unemployed workers able to do the work. And most importantly, these provisions must be enforced.

Mr. KASTENMEIER. Thank you very much, Mr. Zalusky.

When I asked other witnesses what I thought would be your comments or objections to the way the seven projects were proceeding, they indicated—at least Mr. Carlson did, that he thought it was based on the difference of interpretation of what prevailing wages meant, whether it was local or national. Is that a possibility?

Mr. ZALUSKY. Well, I think that is part of the explanation. But with a couple of the projects we checked on—and we did call the Department of Labor in the various States—in one case the industry group that was seeking the employment opportunities of the convict labor went to the State and asked for a wage survey of the very narrowly defined geographic area in which the industry was to be located, knowing full well they wouldn't find any comparable work in the area. One industry pays \$1.50 an hour as a training rate, and I defy you to find that anyplace else in the country, locality or no locality. It would be a violation of the Fair Labor Standards Act to begin with.

There seems to be a real strong desire on the part of the people who are in this to see that the private sector survive in the enterprise, and I really don't think that's the principal goal of the act. The act was to provide a rehabilitative training experience for the workers and the prisoners, and I think that ought to be our fundamental objective.

If we were to set up these governing boards and they found that they could employ or use private sector initiatives within the State to do this, then I think I would have no problem with it. But if one uses low wages in one State and then opens the State borders to ship the goods outside the State to compete with some other State's workers, then I have a problem with it.

Mr. KASTENMEIER. I know one of the cases you referred to, certainly on the surface, sounds like something to which organized labor ought to object. The first project you say was brought under the 1979 act was a hog-slaughtering plant in Arizona, the Cudahy Co. owned by General Host, which closed its meatpacking plant, laid off 400 workers, and then leased the plant to the Arizona Department of Corrections for \$300,000 as a joint venture with the Arizona Pork Producers Association and reopened the plant with 60 convicts and intended to expand. Now, just on the surface of it, that sounds like something to which people would object.

Mr. ZALUSKY. The irony, Mr. Chairman, was that the union that came here the first time during the 1979 act hearings and helped fashion the protective language that was adopted was also the United Food and Commercial Workers. And they were the first ones to get burned by the net. It was really rather tragic.

The unions I have talked to, the State federations of labor that I have spoken with, tend to feel that if we can begin using prison labor at a reasonable pace, it can be introduced fairly comfortably, while being careful not to disrupt local employment relationships, and pay national prevailing wages—the idea has a good chance of working well for everyone and prevailing wages are not hard to establish. The Department of Labor has had a great deal of experience with it.

Congressman Sawyer is correct. The Davis-Bacon Act for one, the Service Contracts Act for another, the now inoperative Walsh-

Healy Labor Contracts Act and others, deal with prevailing wages. We deal with them on a regional as well as a national basis. Our Federal pay structure is based on a national wage survey, for example.

Mr. KASTENMEIER. I would like to yield to the gentleman from Michigan, but first I would like to know what your reaction is to his idea of things that aren't competitive with American labor anymore, such as radios. There are no workers manufacturing radios in this country. Wouldn't that be suitable as a possibility for prison industries?

Mr. ZALUSKY. Well, the only problem I have with that, in all due deference to you, Congressman, is that we would like to see people trained for jobs that are going to be here when they get out of jail, out of prison. If the industry has already left the country, then how do they find the jobs? Jokingly, it may be one way of dealing with that recidivism problem—have them follow the work, you know.

Mr. KASTENMEIER. But the other side of it is, if there are jobs out there that people have, then you see them as in competition with them.

Mr. ZALUSKY. To some extent. But I think what I'm saying, we can handle it in a targeted fashion—and the unions have in the past—the apprenticeship programs and preapprenticeship programs. The building trades and others have tried to work with prisons to identify those occupations where they can absorb new skills, project into the future what they may be, and try to minimize the competition as much as possible.

The prevailing wage argument is really simply a proxy for saying "let's not cost us our jobs." But the real issue is the jobs. I think it is a manageable thing and we need to do it for humanitarian as well as rehabilitation purposes.

Mr. KASTENMEIER. I yield to the gentleman from Michigan.

Mr. SAWYER. Just a comment. I assume, though, that many of the skills that go into making a home radio are very usable in other areas of manufacturing in this country. Maybe not precisely, but I imagine that whatever those kind of skills are, I am sure we make a lot of electronic objects around the country where the skills would be interchangeable to some degree.

Mr. ZALUSKY. I think there is some of that, certainly, and I think the work experience in and of itself would be useful in terms of regimenting one's habits and understanding the work base and so on.

Mr. SAWYER. I have had some experience in this area before I came to Congress. Many of these people are unemployable not really for lack of skill but a lack of even the discipline of coming to work regularly. I mean, things that we would consider very basic they really have not learned and are not able to do.

Mr. ZALUSKY. That's correct.

Mr. SAWYER. And that kind of thing might help.

Mr. ZALUSKY. I think we are very interested in this whole project and idea and would enjoy working with you folks more on it.

Mr. SAWYER. That's all I have. I yield back.

Mr. KASTENMEIER. I want to compliment you for your statement, Mr. Zalusky. I must say that I think basically the AFL-CIO is attempting to have constructive input into this major problem. As I



say, I was one who worked with Albert Wohl on it and I was very sorry to learn that my friend had died recently. He was a good counsel to the AFL-CIO.

Thank you very much. I am very pleased that you're from Milwaukee or lived there for a number of years.

Mr. ZALUSKY. The south side.

Mr. KASTENMEIER. Accordingly, the subcommittee is adjourned.<sup>1</sup>  
[Whereupon, at 12:25 p.m., the subcommittee was adjourned.]

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<sup>1</sup> EDITOR'S NOTE.—Subsequent to the hearing, the 98th Congress enacted provisions in laws relating to prison industries and correctional education. Section 609K(a) of Public Law 98-473 (Oct. 12, 1984) amends section 1761(c) of title 18, United States Code (Prison Industry Enhancement Act) which increases the number of pilot projects of certain prison industries (allowing interstate sale of goods) from 7 to 20. Section 609K(b) of Public Law 98-473 amends section 1761 of title 18, United States Code, to provide that materials produced by convict labor may be used in the construction of any highways or portions of highways located on Federal-aid systems as described in section 103 of title 23, United States Code. Section 201(b)(6) and 202(6) of Public Law 98-524 (October 19, 1984) amends sections 2331 and 2332 of title 20, United States Code, to require that at least 1 percent of each State's Federal vocational educational basic grants be spent on criminal offenders who are serving in correctional institutions.

# APPENDIX I (A)

I

98TH CONGRESS  
1ST SESSION

## H. R. 3362

To amend title 18, United States Code, to permit the transportation of certain domestic prison-made goods, to increase the rehabilitative use of employment and training in Federal correctional institutions, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 1983

Mr. McCOLLUM introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To amend title 18, United States Code, to permit the transportation of certain domestic prison-made goods, to increase the rehabilitative use of employment and training in Federal correctional institutions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Prison In-  
5 dustries Improvement Act of 1983".

1     TRANSPORTATION OF CERTAIN DOMESTIC PRISON-MADE  
2                                GOODS

3        SEC. 2. Section 1761(c) of title 18, United States Code,  
4 is amended—

(1) by striking out “participating in a program”  
and all that follows through “Administration and”, and  
(2) in paragraph (1)(B), by inserting “or, in the  
case of a Federal institution, the Attorney General”  
after “officer”.

10 PRISON CAMPS

11 SEC. 3. Section 4125(d) of title 18, United States Code,  
12 is amended by inserting “, in accordance with section 1761(c)  
13 of this title,” after “proper,”.

14 FEDERAL PRISON INDUSTRIES

SEC. 4. (a) Section 4122(a) of title 18, United States  
Code, is amended—

17 (1) by striking out “or for sale” and inserting in  
18 lieu thereof “, for sale”, and

19                   (2) by striking out “but not” and all that follows  
20                   through the period, and inserting in lieu thereof “, and  
21                   for sale to the public.”.

22 (b) Section 4126 of title 18, United States Code, is  
23 amended by inserting after the third paragraph the following  
24 new paragraph:

1        "If the Attorney General promulgates any rule or regu-  
2 lation requiring the payment of wages to inmates and if the  
3 requirements of section 1761(c)(3) of this title are satisfied in  
4 the case of the inmates who receive such wages, then the  
5 corporation shall make the applicable deductions specified in  
6 section 1761(c)(1) of this title requested by the Attorney  
7 General, but not to exceed the percentage limitation specified  
8 in such section, and shall transfer to the Attorney General  
9 the funds so deducted. Such funds shall be available to the  
10 Attorney General only for the care of Federal prisoners."

11        (c) Section 4126 of title 18, United States Code, is  
12 amended by adding at the end thereof the following: "Surplus  
13 moneys in the fund shall be available to the Attorney Gener-  
14 al, at such times and in such amounts as may be specified in  
15 appropriation Acts, for the care of Federal prisoners."

○

## APPENDIX I (B)

## JUSTICE SYSTEM IMPROVEMENT

P.L. 96-157

## "PRISON INDUSTRY ENHANCEMENT

"SEC. 827. (a) Section 1761 of title 18, United States Code, is amended by adding thereto a new subsection (c) as follows—

"(c) In addition to the exceptions set forth in subsection (b) of this section, this chapter shall also not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners participating in a program of not more than seven pilot projects designated by the Administrator of the Law Enforcement Assistance Administration and who—

"(1) have, in connection with such work, received wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed, except that such wages may be subject to deductions which shall not, in the aggregate, exceed 80 per centum of gross wages, and shall be limited as follows:

"(A) taxes (Federal, State, local);

"(B) reasonable charges for room and board as determined by regulations which shall be issued by the Chief State correctional officer;

"(C) allocations for support of family pursuant to State statute, court order; or agreement by the offender;

"(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 per centum of gross wages;

"(2) have not solely by their status as offenders, been deprived of the right to participate in benefits made available by the Federal or State Government to other individuals on the basis of their employment, such as workmen's compensation. However, such convicts or prisoners shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary;

"(3) have participated in such employment voluntarily and have agreed in advance to the specific deductions made from gross wages pursuant to this section, and all other financial arrangements as a result of participation in such employment."

"(b) The first section of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act, is amended by adding to the end of subsection (d) thereof, before 'and', the following: ', except that this section, or any other law or Executive order containing similar prohibitions against purchase of goods by the Federal Government, shall not apply to convict labor which satisfies the conditions of section 1761(c) of title 18, United States Code'.

"(c) The provisions of this section creating exemptions to Federal restrictions on marketability of prison made goods shall not apply unless—

"(1) representatives of local union central bodies or similar labor union organizations have been consulted prior to the initiation of any project qualifying of any exemption created by this section; and

"(2) such paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services.

18 USC 1761  
note.

Labor unions,  
consultation.

Effect on labor  
market.

## APPENDIX I (C)

BILL McCOLLUM  
5th District, Florida

COMMITTEE ON  
BANKING, FINANCE AND  
CURRENCY AFFAIRS  
COMMITTEE ON  
THE JUDICIARY

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

1507 LONGWORTH NO. 25 CIV. CL. BLDG.  
WASHINGTON, D.C. 20515  
(202) 225-2176

DISTRICT OFFICE  
SUITE 301  
1501 LEE ROAD  
WINTER PARK, FLORIDA 32789  
(305) 845-3100  
FAX: LAKE COUNTY, FLA. FAX  
352-8541

June 23, 1983

PRISON INDUSTRIES

JUN 24 1983

Dear Colleague:

There has been much discussion of the development of prison industries in our country in recent years, but there has been little done to actually make it happen. This week I introduced H.R. 3362, the Prison Industries Improvement Act, to remove most of the remaining road-blocks to the development of both state and federal prison industries. By encouraging the establishment of industries within prisons, inmates can receive training in gainful occupations and potentially can relieve the American taxpayer of enormous costs in operating our prisons. Chief Justice Warren Burger recently noted:

...since we seem to be embarked on a massive prison construction program, we should try a new approach -- convert our 'warehouses' into factories with fences around them...creating prison industries with incentives for good performance would accomplish the dual objective of training inmates in gainful occupations and taking off the backs of the American taxpayers the enormous load of maintaining the prison system of this country.

Last year it cost \$378 million to incarcerate 30,000 federal prisoners, and it costs millions more for the state governments to house the many, many more state prisoners. The only sensible way to end the staggering growth in these costs to the taxpayers as well as provide reasonable training to inmates is to remove the obstacles to the path of the development of profit-making prison industries.

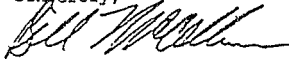
My bill would for the first time allow goods made in federal prisons to be sold on the open market for a profit -- and would at the same time allow a reasonable portion of the prisoners' wages to be deducted for room and board costs, providing relief to taxpayers.

In addition, the legislation would allow both state and federal prison industries to sell their products across state lines, which is currently against the law. In recent years, Congress has authorized a few pilot programs whereby state prison industry goods may be sold across state lines, providing certain conditions are met, such as payment of minimum wage, with allowable deductions for room, board, taxes and victims of crime. These conditions would be retained under my legislation.

Through federal legislation such as my bill, we can remove the impediments to the development of prison industries which make a profit and provide a means for prisoners to pay their own costs as well as provide inmate training. Chief Justice Burger has issued a responsible challenge and it is up to legislators, both federal and state, to take up the challenge on behalf of the American taxpayer and in the best interests of our corrections system.

If you are interested in cosponsoring H.R. 3362, please contact Kristen Foskett, at 5-2176.

Sincerely,



BILL McCOLLUM  
Member of Congress

## APPENDIX I (D)

NINETY EIGHTH CONGRESS

PETER W. RODINO, JR. (D), CHAIRMAN

JACK BROOKS, TEX.  
 ROBERT W. KASTENMEIER, WIS.  
 DON EDWARDS, CALIF.  
 JOHN CONYERS, JR., MICH.  
 JOHN P. SIBERLING, OHIO  
 DONALD I. RAZZOLI, ILL.  
 WILLIAM J. HUGHES, N.J.  
 SAM S. PAUL, JR., TEX.  
 MIKE SYNAR, OKLA.  
 PATRICK SCHROEDER, COLO.  
 DAN GUCKMAN, KANS.  
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 HENRY A. HYDE, ILL.  
 THOMAS R. KIRKPATRICK, OHIO  
 HAROLD E. BAFFER, MICH.  
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 F. JAMES SCHENKRENNER, JR., WIS.  
 BILL MCCOLLUM, FLA.  
 E. CLAY SHAW, JR., FLA.  
 GEORGE W. GEEK, PA.  
 MICHAEL DOWDY, OHIO

U.S. House of Representatives  
 Committee on the Judiciary  
 Washington, D.C. 20515  
 Telephone: 202-225-3951

GENERAL COUNSEL:  
 ALAN A. PARKER  
 STAFF DIRECTOR:  
 GARNER J. CLINE  
 ASSOCIATE COUNSEL:  
 ALAN F. COFFEY, JR.

May 19, 1983

Hon. Robert W. Kastenmeier  
 2232 Rayburn House Office Building  
 Washington, D.C. 20515

Dear Bob:

On February 24, 1983, Alan Breed, the Director of the National Institute of Corrections, in his testimony before your subcommittee, highlighted a recent amendment to the Surface Transportation Act that would prohibit the use of materials produced by convict labor in the construction of federally subsidized highways. As Mr. Breed pointed out, this amendment would effectively shut down a thirty-year-old prison industry that has been operating successfully in 37 states.

After further study of the issue, I introduced H.R. 2723 on April 25, 1983, which would repeal the amendment in question. More recently on May 10, 1983, during House consideration of the Justice Assistance Act, I offered an amendment to repeal the prohibition, which was adopted.

Since House passage of the Justice Assistance Act I have met with a representative of the American Road and Transportation Builders Association. Their representative expressed his organization's concern about my amendment and raised such issues as "unfair competition" when small businessmen have to compete against "subsidized" prison industries. In light of this issue, and the widely held concern about providing inmates with some type of a meaningful job while they are incarcerated, I think it would be timely for the subcommittee to hold hearings focusing on the issue of prison industries at both the federal and state levels. I hope you will agree with me that this is an important issue that deserves our attention.

With best regards,



Thomas M. Kindness

## APPENDIX I (E)



STATE OF NEW YORK  
DEPARTMENT OF CORRECTIONAL SERVICES

THE STATE OFFICE BUILDING CAMPUS

ALBANY, N.Y. 12226

THOMAS A. COUGHLIN III  
COMMISSIONER

September 30, 1983

Hon. Peter Rodino  
Member of Congress  
Chairman-Committee on The Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

Re: H.R. 3362  
Prison Industries  
Improvement

Dear Congressman Rodino:

I am writing to request your support for H.R. 3362, The Prison Industries Improvement Act of 1983, as introduced by Congressman Bill McCollum.

This Department has a continuing, vigorous commitment to a comprehensive system of correctional industries and programs. As the third largest State Correctional System in the nation, this Department reported a September 23 inmate under custody population of 30,582. This population results in an occupancy rate of 117.4 percent of capacity.

H.R. 3362 would, for the first time, allow both state and federal prison industries to sell their products across state lines, which is currently prohibited by law. Such legislative action would greatly benefit the industry programs of the various state correctional systems.



If you have any questions or comments concerning this letter and/or related issues please do not hesitate to contact Assistant Commissioner Martin Horn at (518) 457-7261.

Thank you for your continued assistance.

Sincerely,



Thomas A. Coughlin III  
Commissioner

cc: Brad Johnson, Director, NYS Office of Federal Affairs  
Hon. Bill McCollum, Member of Congress  
5th District of Florida  
Martin Horn, Assistant Commissioner  
Frederick Beuell, Assistant Deputy Commissioner  
Leonard Morgenbesser, Program Research Specialist III

APPENDIX I (F)

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Remarks of  
WARREN E. BURGER  
CHIEF JUSTICE OF THE UNITED STATES  
at the  
Safer Foundation Banquet

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Chicago, Illinois  
Thursday, January 26, 1984

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It is a long time ago since I reached the conclusion that our systems of corrections and prisons in the United States were failing even to approach, let alone accomplish, reasonably supportable objectives. Precisely what should be done, I confess, I do not know. In more than a quarter of a century of study of the problems and countless meetings, and prison visits in this country and in other countries, with those who purported to be, and in fact were, the best informed experts, I have never found anyone who really knows how to deal successfully with this intractable problem.

Let me begin with a rather simplistic homespun analogy. If you take my car to the garage to fix some faulty brakes, and the brakes failed right off when it is returned, and you go back, and the same thing is repeated the second time, what do you conclude from this? First, it would surely be a reasonable conclusion that something is wrong and you would pursue the matter more vigorously—your safety is at stake.

When we send a convicted criminal to prison, and that prisoner comes out and repeats, and goes back in, comes out, and repeats again, it is reasonable to conclude that the “brakes” that society tried to put on his conduct are not working. How many times would we trust the repair shop or should we trust the system we use in dealing with criminal offenders?

Ten years ago we had about 200,000 inmates in penal institutions in this country in the hope that we could improve their “braking system,” to put better brakes on control of their conduct. Today, we have over 400,000 inmates in the prisons. It is reasonable to ask: is there any point in sending people to repair shops that don’t repair, prisons that don’t rehabilitate—places that send people back into the stream of society with “brakes” that don’t work?

The cost of keeping 400,000 prisoners in prison is estimated at least 17 million dollars a day.

Since I have been a member of the federal judiciary, I have thought much and spoken often on the subject of penal and correctional institutions and those policies and practices that ought to be changed. I see this as part of the administration of justice. People go to prisons only when judges send them there and judges should have a particular concern about the

effectiveness of the prisons and the correctional process, even though we have no responsibility for the management.

Based on my observations as a judge for more than 25 years and from visiting prisons in the United States and in most of the countries of Europe—and in the Soviet Union and The People's Republic of China—I have long believed that we have not gone about the matter in the best way.

This is one of the unresolved problems on our national agenda and tonight I will propose some changes in our approach to prisons. But before doing that, let me suggest why the subject has a special relevance, even a special urgency, right now.

Our country is about to embark on a multi-billion dollar prison construction program. At least one billion dollars worth of construction is already underway. The question I raise is this: are we going to build more "human warehouses" or should we change our thinking and create institutions that are training schools and factories with fences around them, where we will first train the inmates and then have them engage in useful production to prepare them for the future—and to help pay for their confinement?

One thoughtful scholar of criminal justice described the state of affairs in much harsher terms than I have ever used. Four years ago he wrote this:

"Criminal justice in the United States is in a state of spreading decay . . . the direct costs of crime include loss of life and limb, loss of earnings . . . physical and mental suffering by victims and their families."<sup>1</sup>

In almost the same terms, he indicted our correctional systems. These direct losses, he continued, run into many billions of dollars annually. But indirect losses, he said, are vastly more, and reach the astonishing figure of 100 billion dollars a year. These indirect costs include higher police

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<sup>1</sup>Gorecki, *A Theory of Criminal Justice*, Columbia University Press, 1979.

budgets, higher private security measures, higher insurance premiums, medical expenses of the victims, and welfare payments to dependents of prisoners and victims and costs of prisons.

These astounding figures and the great suffering that underlies them can be reduced. This can be done by more effective law enforcement, which in turn will produce a demand for more and more prison facilities. But just more prisons of the kind we now have will not solve the basic problem.

Plainly, if we can divert more people from lives of crime we would benefit both those who are diverted and the potential victims. All that we have done in improved law enforcement, in new laws for mandatory minimum sentences, and changing parole and probation practices, have not prevented 30% of America's homes from being touched by crime every year.

Twenty years ago I shared with such distinguished penologists as the late James V. Bennett, longtime Director of the Federal Bureau of Prisons; Torsten Eriksson, his counterpart in Sweden, and Dr. George K. Sturup in Denmark and was influenced by them to have high hopes for rehabilitation programs. These hopes now seem to have been based more on optimism and wishful thinking than on reality. Over the years we have seen that even the enlightened correctional practices of Sweden and other northern European countries have produced results that, although better than ours, have also fallen short of expectations.

On several occasions I have stated one proposition to which I have adhered. It is this:

"When society places a person behind walls and bars it has an obligation—a moral obligation—to do whatever can reasonably be done to change that person before he or she goes back into the stream of society." This is as much for ourselves as for them.

If we had begun 25, 35 or 50 years ago to develop the kinds of correctional programs that are appropriate for an enlight-

ened and civilized society, the word "recidivist" might not have quite as much currency as it does today. This is not simply a matter of compassion for other human beings, it is a hard common sense matter for our protection of our lives and our pocketbooks.

The doubling of prison inmates in ten years reflects, in part, the increase in crime, better law enforcement, longer sentences and more stringent standards of parole and probation. Budgets for law enforcement, for example, like the rates for theft insurance have skyrocketed and they will go higher.

If we accept the idea that the most fundamental obligation of government in a civilized society is the protection of people and homes, then we must have more effective law enforcement. But equally important, we must make fundamental changes in our prison and correctional systems. Just more stone, mortar and steel for walls and bars, will not change this melancholy picture.

If we are to make progress and at the same time protect the persons and property of people, and make streets and homes safe from crime, we must change our approach in dealing with people convicted of crimes. Our country provides more protection and more safeguards for persons accused of crime, more appeals and more reviews than any other country in the world. But once the judicial process has run its course we seem to lose interest. The prisoner and the problems are brushed under the rug.<sup>2</sup>

It is predictable that a person confined in a penal institution for two, five or ten years, and then released, yet still unable to read, write, spell or do simple arithmetic and not trained in any marketable vocational skill, will be vulnerable

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<sup>2</sup>The Federal Bureau of Prisons under the leadership of the late James V. Bennett and now Norman Carlson, the present Director, has performed extremely well, given legislative restraints on production of goods in prisons and archaic attitudes of business and labor. But the Federal Bureau of Prisons deals with barely 7% of the 400,000 prisoners now confined.

to returning to a life of crime. And very often the return to crime begins within weeks after release. What job opportunities are there for an unskilled, functional illiterate who has a criminal record? The recidivists who return to our prisons can be compared with the automobiles that are recalled by Detroit. What business enterprise, whether building automobiles in Detroit or ships in Norfolk, Virginia, or airplanes in Seattle, could continue with the rate of "recall" of its "products" that we see with respect to the "products" of our prisons?

The best prisons in the world, the best programs that we can devise will not totally cure this dismal problem. Like disease and war, it is one that the human race has struggled with since the beginning of organized societies. But improvements in our system can be made and the improvements will cost less in the long run than failure to make them.

I have already said that, today, one billion dollars in new prison facilities is actually under construction. More than 30 states have authorized construction programs, that over the next ten years will spend as much as ten billion dollars on new prison facilities.

If these programs proceed, and we must assume they will, it is imperative that there be new standards that will include the following:

(A) Convert prisons into places of education and training and into factories and shops for the production of goods;

(B) Repeal all statutes which limit the amount of prison industry production.

(C) Repeal all laws discriminating against the sale or transportation of prison-made goods;

(D) To do this, the leaders of business and organized labor must cooperate in programs to permit wider use of productive facilities in prisons.

Recently, when the five cent per gallon tax was adopted to finance restoration of highways and bridges, at the last moment, a rider was attached that had never been considered

by any committee of the House or Senate. That rider provided that no part of the gas tax revenues could be spent to purchase road signs manufactured in prisons. Signs of that kind can readily be produced in prisons, just as is true with license plates. This was a boon to someone in the private sector, but at the expense of a larger public interest.

Happily that rider has been repealed but this illustrates the problem we face.

On the affirmative side, I have every reason to believe that business and labor leaders will cooperate in more intelligent and more humane prison programs. Of course, prison production programs will compete to some extent with the private sector, but this is not a real problem. With optimum progress in the programs I have outlined, it would be three to five years, or even more, before these changes would have any market impact, and even then it would be a very small impact. I cannot believe for one moment that this great country of ours, the most voracious consumer society in the world, will not be able to absorb the modest production of prison inmates without real injury to private employment or business. With the most favorable results, the production level of prison inmates would be no more than a tiny drop in the bucket in terms of the Gross National Product. Today, we find prisons in the United States with limited production facilities which are lying idle because of statutory limitations confining the sale of their products to city and county governments within the state.

Prison inmates, by definition, are for the most part maladjusted people. From whatever cause, whether too little discipline or too much; too little security or too much; broken homes or whatever, these people lack self-esteem. They are insecure, they are at war with themselves as well as with society. They do not share the work ethic that made this country great. They did not learn, either at home or in the schools, the moral values that lead people to have respect and concern for the rights of others.



But if we place that maladjusted person in a factory, rather than a "warehouse," whether that factory makes ballpoint pens, hosiery, cases for watches, parts for automobiles, lawnmowers or computers or products every city and state government needs, pay that person reasonable compensation, and charge something for room and board, I believe we will have an improved chance to release from prison a person better able to secure gainful employment, and to live a normal, productive life. Many will fail the test. But suppose we have a 10% success rate and a corresponding reduction in the cost of crime? If we do this, we will have some whose skills and self-esteem will at least have been improved so that there is a better chance to cope with life.

There are exceptions of course. The destructive arrogance of the psychopath with no concern for the rights of others, may well be beyond the reach of any programs that prisons or treatments can provide. For those, we must continue to have maximum security prisons. But our prison programs must aim chiefly at the others—those who want to change.

There is nothing really new in this concept. It has been applied for many years in northern Europe, and in my native state of Minnesota there are important beginnings. Special federal legislation authorized pilot programs for contracts with private companies to produce and ship merchandise in interstate commerce.

Even though Minnesota's pilot program involves only a fraction of the inmates, it represents a significant new start. In that program, prisoners were identified by tests to determine their adaptability for training. After that they were trained and now there are approximately 52 prisoners in one section of the Minnesota prison engaged in assembling computers for Control Data Corporation. William Norris, President of Control Data, assures these prisoners that a job will be waiting for them when they leave prison. Is it not rea-

sonable to assume that the pressures of these prisoners to return to a life of crime will be vastly reduced?

On my first visit to Scandinavian prisons 25 years ago I watched prison inmates constructing fishing dories, office furniture, and other products. On my most recent visit last summer with a team of American leaders, including Frank Considine,<sup>3</sup> prisoners in one institution were making components for pre-fabricated houses, under the supervision of skilled carpenters. Those components could be transported to a building site and assembled by semi-skilled workers under trained supervision. Another prison was a modern laundry that did all the laundry for nearby hospitals and government facilities.

Two years ago, in a prison I visited in The People's Republic of China, 1,000 inmates made up a complete factory unit producing hosiery and casual sport shoes. Truly, that was a factory with a fence around it. In each case, prisoners were learning a trade and paying at least part of the cost of their confinement.

Today, the 400,000 inmates of American prisons cost the taxpayers of this country, including the innocent victims of crimes who help pay for it, more than 17 million dollars a day! I will let you apply that to the current deficits!

We need not try in one leap to copy fully the Scandinavian or Chinese model of production in prison factories. We can begin with the production of machine parts for lawnmowers, automobiles, washing machines or refrigerators. City and state governments are large consumers, and we can have prisons supply at least some of their needs. This kind of limited beginning would minimize the capital investment for new plant and equipment, and give prisoners the opportunity to learn relatively simple skills at the outset.

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<sup>3</sup>Other members of the team included Senator Mark Hatfield, Congressman Robert Kastenmeier; Albert Woll, General Counsel, AFL-CIO; Norman Carlson, Director Federal Bureau of Prisons; and Steven Hill, Weyerhaeuser Company.

We do not need the help of behavioral scientists to understand that human beings who are taught to produce useful goods for the marketplace, and to be productive are more likely to develop the self-esteem essential to a normal, integrated personality. This kind of program would provide training in skills and work habits, and replace the sense of hopelessness that is the common lot of prison inmates.

Prisoners who work and study 45 to 55 hours a week are also less prone to violent prison conduct. Prisoners given a stake in society, and in the future, are more likely to avoid being part of the "recall" process that today sends thousands of repeat offenders back to prisons each year.

One prison in Europe, an institution for incorrigible juvenile offenders from 14 to 18 years of age who had been convicted of serious crimes of violence, has on the wall at the entrance to the institution four challenging statements in bold script with letters a foot high. Translated they read approximately this way:

- 1) You are here because you need help;
- 2) We are here to help you;
- 3) We cannot help you unless you cooperate; and then
- 4) *If you don't cooperate, we will make you.*

This is a sensible carrot and stick approach, an offer of a compassionate helping hand coupled with the kind of discipline that, if missing in early life in homes and schools that ignored moral values, produces the kind of maladjusted, incorrigible people who are found in prisons.

Some voices have been raised saying that prisoners should not be coerced into work and that this is "forced labor." Depending upon what these speakers mean by "coerced," I might be able to agree. But I would say that every prisoner should be "induced" to cooperate by the same methods that are employed in many other areas. Life is filled with rewards for cooperation and penalties for noncooperation. Prison sentences can be shortened and privileges given to prisoners who cooperate. What I urge are programs in

which the inmate can earn and learn his way to freedom and the opportunity for a new life.

Opportunities for rewards and punishments permeate the lives of all free people and these opportunities should not be denied to prison inmates. At the core of the American private enterprise system is the idea that good performance is rewarded and poor performance is not. I believe we can induce inmates to cooperate in education and in production. A reasonable limit is that they should not be made to study more or work longer hours, for example, than cadets at West Point or Annapolis! Surely it would not be rational to settle for less.

With as much as ten billion dollars of prison construction looming, we are at a crossroad in deciding what kind of prisons we are to have. As we brace ourselves for the tax collector's reaching into our pockets for these billions, we have a choice: we can continue to have more "human warehouses" with little or no educational, training or production programs, or we can strike out on a new course with constructive, humanizing programs that will in the long run be less costly. The patterns are there in our federal prisons and in states like Minnesota and Kansas—and in northern Europe.

The choice is ours, and the cost of doing something new will be less than the cost of continuing the old patterns.

## APPENDIX I (G)

THIS REPORT SUMMARIZES THE KEY FINDINGS OF A STUDY SPONSORED BY THE NATIONAL INSTITUTE OF JUSTICE ENTITLED: "PRIVATE SECTOR INVOLVEMENT IN PRISON BASED BUSINESSES." BECAUSE OF THE RELEVANCY OF THE ISSUES AND THE HIGH LEVEL OF INTEREST IN THE TOPIC, THIS SUMMARY IS BEING DISTRIBUTED IN DRAFT FORM TO THE PARTICIPANTS AT THE NATIONAL FORUM ON PRIVATE SECTOR INVOLVEMENT IN CORRECTIONS, FEBRUARY 20-22, IN WASHINGTON, D.C.

THE PRIVATE SECTOR

AND

PRISON INDUSTRIES

George E. Sexton  
Franklin C. Farrow  
Barbara J. Auerbach

of

Criminal Justice Associates

P.O. Box 125  
Lafayette Hill, PA 19444

## I. The background

Private enterprise is no stranger to the American prison. When the United States replaced corporal punishment with confinement as the primary punishment for criminals in the early 19th century, the private sector was the most frequent employer of convict labor. Prisoners were typically either leased to private companies that set up shop in the prison, or were used by prison officials to produce finished goods for a manufacturer who supplied the raw materials to the prison. The former arrangement was called the contract system, while the latter came to be known as the "piece-price" system. In both instances a private company paid for the use of prison labor through a fee, which was used to partially offset the expense of operating the prison. Blatant exploitation of prisoners often developed as a consequence of these systems, since neither correctional officials nor private contractors were especially concerned with their well-being.

Opposition to the use of prison labor from rival manufacturers and from the growing organized labor movement began to emerge in the latter part of the 19th century as more and more prisoners were put to work for the private sector. This opposition reached its peak during the Great Depression, when Congress passed a series of laws designed to prohibit the movement of prison-made goods in interstate commerce, thus ensuring that prison-made goods would not compete with products made by free world labor. Many State legislatures forbade the open market sale or importation of prison-made goods within their borders, effectively barring the private sector from the prison. As a result, prison-based manufacturing operations became State owned and operated businesses, selling goods in a highly restricted market.

This situation continued well into the 1970's, when a shift in thinking about prison industries began to occur. For many years viewed as rehabilitative programs designed to teach prisoners specific vocational skills, prison industries now began to be seen by public officials as a way to generate revenue for the State while combating the ever growing problem of prisoner idleness. This redefinition led to renewed interest in the business aspects of prison industries. That interest has in turn led to a rethinking of the potential role of the private sector in the operation of prison industries.

By 1980, many States had replaced restrictive legislation that barred the private sector from using prison labor with legislation that encouraged the private sector to participate in prison industries. The Federal Government likewise modified its stance on the use of prison labor by the private sector, creating a Federal pilot program designed to test the feasibility of private sector involvement in prison industries. Under this program both the "contract" and the "piece-price" systems of convict labor have been recreated in modified form, accompanied by strong safeguards to protect the interests of competitors, free labor, and the prisoner workers themselves.

Since 1980 there has been a significant increase in the private sector's involvement in prison industries. In 1983, the National Institute of Justice commissioned Criminal Justice Associates to survey and assess this development.<sup>1</sup>

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1 Criminal Justice Associates, Private Sector Involvement in Prison-Based Businesses: A National Assessment, December, 1984.

This paper is based on the findings of that national survey. The survey identified the following conditions as being important in creating a climate favorable to private sector involvement in prison industries.

- interest of correctional administrators and elected public officials;
- willingness of private companies to become involved with a prison;
- availability of prison labor; and
- legislation authorizing private sector involvement.

Criminal Justice Associates found that, to at least some extent, all of these conditions have now been met by several projects. Specifically, the survey found that:

- There is a strong interest on the part of correctional administrators, governors, and State legislators in the concept of private sector employment of prisoners.
- As of January 1985, there were 26 projects in which the private sector was involved with State-level prison industries. There has been a gradual growth in the number of such projects, beginning in 1976 and continuing until 1980, when a marked increase occurred at a rate that continues to grow today. This suggests that an S-shaped curve characteristic of successful innovation/diffusion may be occurring.<sup>2</sup>
- With the crowding and idleness problems currently plaguing prisons, there is no question that prison labor is available for employment.
- Over the past 10 years almost half of the States have adopted legislation calling for some form of private sector involvement in their prison work programs. The Federal Government likewise has relaxed some of the barriers to this type of activity: In 1984, legislation was passed authorizing up to 20 projects to sell goods in interstate commerce, providing that certain safeguards are in place.

From analysis of the above and other factors, the CJA study concluded that private sector involvement in the employment of prisoners is a trend in the making.

## II. Models for private sector involvement

There are several possible relationships the private sector might have with a prison industry. In order to enumerate and clarify the various types of such relationships, six basic models were formulated to represent possible roles that the private sector might play in influencing the operation of a prison industry.

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2 Everett M. Rogers, Diffusion of Innovations, New York, New York, Free Press, 1983.

3 The Justice Assistance Act of 1984 (P.L. 98-473, Sec. 819).

The CJA study determined that the private sector exerts a significant influence on the operation of a prison industry when it acts as the:

- employer, who owns and operates a business using prison labor;
- investor, who owns all, or a significant portion, of a prison industry operated by the State;
- customer, who purchases a significant portion of the output of a prison industry owned and operated by the State;
- manager, who manages a prison industry owned by the State.

The private sector can, of course, play other roles in relation to a prison industry, but these four roles are especially important because they involve private sector relationships that are both economic and influential; i.e., the private sector both influences the way the business operates and derives direct economic benefit from that influence.

Each of the four roles can be defined as a "model" of private sector involvement:

1. The employer model

The private sector owns and operates a business that uses inmate labor to produce goods or services. The business has control of the hiring, firing, and supervision of the inmate labor force.

2. The investor model

The private sector capitalizes, or invests in, a business operated by a State correctional agency, but has no other role in the business.

3. The customer model

The private sector purchases a significant portion of the output of a State-owned and operated business, but has no other role in the business.

4. The manager model

The private sector manages a business owned by a correctional agency, but has no other role in the business.

These four models are "pure" types in that they correspond directly with specific roles.

It is also possible for the private sector to play a combination of roles in relation to a prison industry. Examination of possible role combinations reveals two "hybrid" models, labeled:

5. The joint venture model

The private sector manages or helps to manage a business in which it has jointly invested with a correctional agency.



#### 6. The controlling customer model

The private sector is the dominant customer of a business that it owns or has helped to capitalize and which it may help to operate. In this role, control of the business by the private sector customer is much more extensive than is the case in the previously defined customer model.

In summary, six models can be formulated that represent various possible private sector relationships with prison industries.

#### Examples of the models

##### The employer model

In August 1981, Best Western International began hiring female prisoners for its telephone reservation center located inside the Arizona Correctional Institution for Women in Phoenix. Best Western, headquartered in Phoenix, needed a readily available work force to process phone calls for reservations during peak-call periods, and also needed trained reservation agents who were willing to work on holidays and weekends. Because of the prison's proximity to Best Western headquarters, the firm was able to install trunk lines at a reasonable cost and take advantage of a willing work force. Best Western currently employs 12 to 35 women prisoners full-time. The operation is supervised by a Best Western manager and two supervisors. The women employees are paid the same rate as other reservation agents at Best Western. A similar industry operated by Howard Johnson's Inc. is located inside a women's prison in Oklahoma.

##### The investor model

The Wahlers Company, a Phoenix-based manufacturer of office furniture, has invested in a furniture plant that is owned and operated by ARCOR (Arizona Correctional Industries) in the Arizona Correctional Facility at Perryville. Wahlers provided the plant's equipment in exchange for a share of the plant's financial returns; ARCOR built the plant. Fifteen male prisoners are employed in the plant, which produces office partitions, computer tables, and other office furniture. The products are marketed in both the State-use and open markets within Arizona.

##### The customer model

The Utah Printing and Graphics Shop, which employs 30 workers in the state prison at Draper, is operated by Utah Correctional Industries and sells to both the public and private sectors. However, because a significant portion of the shop's output (more than 40 percent) is purchased by the private sector, the marketplace has influenced the shop to operate like a private sector shop. The two principal private sector companies involved--Walker Safety Sign Company and Pace Industries--buy signs from the shop for resale to customers throughout the Northwest. The shop also provides printing services to various small private sector firms.

### The controlling customer model

The electrical/mechanical assembly shop operated by Minnesota Correctional Industries in the State Prison at Stillwater, employs 100 male prisoners in the assembly of disk drives and wiring harnesses for Magnetic Peripherals, Inc., a subsidiary of Control Data Corporation. Supervisors in the shop are employees of Minnesota Correctional Industries. Control Data Corporation (CDC) is the sole customer. CDC provides technical assistance to the Department of Corrections in plant layout and also trained the supervisors. CDC also provides production schedules and quality control standards.

### The manager model

There is no existing example of the manager model. In this model, the State would replace civil service employees with an outside professional team, usually to take advantage of management and technical expertise not typically available through the civil service. A form of this model was implemented in the 1970's by the Connecticut Department of Corrections when it contracted with the Hartford Economic Development Corporation to manage the State's correctional industry program. The contract was not renewed at the expiration of its initial period.

PRIDE Inc., which operates all prison industries in Florida, resembles the manager model in some respects; however, because it employs the prisoner workers and controls the assets of prison industries, it is more readily classified as an example of the employer model.

### The joint venture model

There are no current examples of the joint venture model either. In this model, a prison industry is jointly owned and operated by a private firm and a state correctional agency that have entered into a partnership sharing financial risks and rewards and management responsibilities. The Wahlers project mentioned above was initiated as a joint venture (Wahlers initially placed a full-time supervisor in the plant), but Wahlers has since terminated its involvement in the plant's management and now acts solely as an investor in the business.

## III. The role of State and Federal laws

Federal and State laws dramatically influence the policy, procedural, and organizational frameworks within which private sector involvement in prison industries can occur.

The State statutes underlying and supporting private sector interaction with prison industries are in many respects more complex than those authorizing traditional State-use prison industries, and a number of new legal questions have been raised by the entrance of the private sector in prison industries. Among the more important questions are the following:

- What forms may the relationship between a prison industry and the private sector take?
- Who may act as the employer of prisoners? Can prisoners be employees?

- What are the rights of prisoner workers with respect to wages, benefits, and the various legal protections provided to workers generally?
- To what extent are markets regulated by Federal and State law?
- What protections exist for competitors and labor outside the prison?

Table 1 depicts how State laws address these questions within the framework of 12 key operational issues for private sector involvement in prison industries.

An analysis of legislative activity in the States reveals several different patterns. As is evident from Table 1, there are States that are silent on almost all of the issues identified as relevant to private sector involvement in prison industries. Two States have no statutes addressing any of these issues. More common are those States that address only the question of open market sales (generally to prohibit them), or deal with open market sales and one or two other issues. Typical combinations are prohibitions against both open market sales and private employment or contracting with the private sector.

At the other end of the scale of legislative activity are those States that are vocal on half or more of these issues. Most of these active States have authorized open market sales, plus either private sector employment, contracting, or both. Most have also authorized payment of prevailing or minimum wages and workers' compensation benefits to prisoner workers.

The first three issues--private sector employment, private sector contracting, and open market sales--are the most fundamental of the 12 operational issues in respect to the implementation of private sector prison industries. Ten States have legislation specifically permitting private sector employment, contracting, and open market sales. Six States have legislation specifically prohibiting such activity. The remaining States have legislation falling somewhere between, or are silent on the issues.

Federal statutes govern access to interstate markets, which is one of the crucial requirements of most private sector manufacturers since today's markets tend to be regional or national. The interstate power is an exclusively Federal power and one that has been interpreted broadly by the courts over the years. Generally, the pressure to limit or prohibit access to interstate commerce for prisoner-made goods has stemmed from business and labor concerns over unfair competition or from reform-minded citizens' groups concerned about the exploitation of prison labor. A wave of restrictive legislation was passed in the 1930's and 1940's that totally prohibited prisoner made goods from entry into interstate commerce, thus confining such goods to what is known as the State-use market. This situation continued until the 1980's when Congress passed legislation authorizing the Prison Industries Enhancement Program (administered by the Bureau of Justice Assistance). This program allows up to 20 States to experiment in the interstate market if certain safeguards are provided to nonprison labor and industry and to prisoner workers themselves.

#### IV. What the research shows

1. In January 1985, there were twenty-six private sector/prison industries in existence. Table 2 lists these projects, categorizes them according to model type, and lists the states in which they operate. Summary highlights include:

## I S S U E S

S T A T E S	Private sector employment authorized	Private sector contracting authorized	Open market sales authorized	Incentives for private sector authorized	Prevailing and/or minimum wages mandated	Unemploy- ment Compensation authorized	Workers' Comp. authorized	Prisoner volunteerism mandated	Project's impact on free world labor addressed	Rent/Lease of property authorized	Wage deductions authorized	Employee status of prisoners addressed	S T A T E S
Alabama			No				No	Yes	Yes		Yes	Yes	Alabama
Alaska		Yes	Yes										Alaska
Arizona	Yes	Yes	Yes		Yes					Yes	Yes		Arizona
Arkansas													Arkansas
California	No	No	No			Yes	Yes						California
Colorado	Yes	Yes									Yes		Colorado
Connecticut		Yes	No				Yes						Connecticut
Delaware													Delaware
Florida	Yes		No							Yes	Yes	Yes	Florida
Georgia		No	No										Georgia
Hawaii			No										Hawaii
Idaho			Yes				No					Yes	Idaho
Illinois	No	No	No										Illinois
Indiana	Yes	Yes	Yes	Yes	Yes	No			Yes	Yes	Yes		Indiana
Iowa	Yes	Yes	Yes		Yes	Yes	Yes		Yes	Yes		Yes	Iowa
Kansas	Yes		Yes		Yes		Yes	Yes			Yes		Kansas
Kentucky			No								Yes	Yes	Kentucky
Louisiana	Yes		Yes		Yes	No	Yes	Yes			Yes		Louisiana
Maine			Yes										Maine
Maryland			No										Maryland
Massachusetts		No	No				Yes						Massachusetts
Michigan	No	No	No		Yes								Michigan
Minnesota	Yes	Yes	Yes				Yes			Yes	Yes		Minnesota
Mississippi	No	Yes	Yes		No			Yes		Yes		Yes	Mississippi
Missouri			No										Missouri
Montana			No				Yes						Montana
Nebraska	Yes		Yes		Yes		Yes			Yes	Yes		Nebraska
Nevada	Yes	Yes	Yes						Yes	Yes	Yes		Nevada
New Hampshire			Yes								Yes		New Hampshire
New Jersey	No	No	No				Yes						New Jersey
New Mexico	Yes	Yes	Yes			No		Yes			Yes		New Mexico
New York		No	No									Yes	New York
North Carolina			No				No						North Carolina
North Dakota	No	No	No				Yes						North Dakota
Ohio	Yes	Yes	Yes								Yes		Ohio
Oklahoma	Yes	Yes			Yes		Yes			Yes	Yes		Oklahoma
Oregon	Yes	Yes	Yes		Yes		Yes		Yes	Yes	Yes		Oregon
Pennsylvania		No	No										Pennsylvania
Rhode Island			No										Rhode Island
South Carolina			Yes				Yes						South Carolina
South Dakota		No	No										South Dakota
Tennessee	Yes	Yes	No		Yes	No	Yes	Yes		Yes	Yes		Tennessee
Texas		No	No										Texas
Utah	Yes	Yes	Yes		Yes		Yes	Yes			Yes		Utah
Vermont		No	Yes						Yes		Yes		Vermont
Virginia			No				Yes						Virginia
Washington	Yes		Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes		Washington
West Virginia		Yes	No										West Virginia
Wisconsin			No				Yes						Wisconsin
Wyoming		No	No				Yes						Wyoming

Yes = Legislative Authorization Exists  
 No = Legislative Prohibition Exists  
 Blank space indicates that legislation neither  
 specifically authorizes nor prohibits.

PRISON INDUSTRY STATUTE ANALYSIS

TABLE 1.

TABLE 2  
CLASSIFICATION OF PRIVATE SECTOR PROJECTS  
INTO  
MODEL TYPES

P R O J E C T	E M P L O Y E R	I N V E S T O R	C U S T O M E R	M A N A G E R	J O I N T V E N T U R E	C O N T R A C T I N G	C U S T O M E R
<b>ARIZONA:</b>							
Best Western	X						
Commercial Pallet							X
Wahler's		X					
<b>FLORIDA:</b>							
PRIDE Printing	X						
PRIDE Agri-business	X						
<b>KANSAS:</b>							
Zephyr Products, Inc.	X						
<b>MINNESOTA:</b>							
Electronic Assembly/Control Data							X
Metal Products			X				
Stillwater Data Processing	X						
Data Entry/B. Dalton							X
Computer Reclamation/Sperry Corp.							X
Insight, Inc.	X						
Lino Lakes Furniture			X				
Lino Lakes Printing			X				
Lino Lakes Sci			X				
<b>MISSISSIPPI:</b>							
M.C.I./Cool Mist							X
<b>NEVADA:</b>							
Vinyl Products Mfg., Inc.	X						
Las Vegas Foods, Inc.	X						
Key Data Processing, Inc.	X						
<b>OKLAHOMA:</b>							
Howard Johnson's, Inc.	X						
<b>UTAH:</b>							
U.C.I./Graphics			X				
<b>WASHINGTON:</b>							
Inside-Out, Inc.	X						
Bell Baggs, Inc.	X						
Redwood-Outdoors, Inc.	X						
David L. Jones Co.	X						
Carol's Ceramics, Inc.	X						
*****	15	1	5	0	0		5
<b>TOTALS:</b>	<b>15</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>		<b>5</b>

- Nineteen private sector firms ranging from small proprietorships to multinational corporations involved with the prison industries.
- Fourteen distinct product lines and five distinct service activities covering a spectrum representative of the mainstream American economy.
- Seventeen different minimum, medium, and maximum security prisons ranging from small, community-based facilities to large, rural, walled institutions hosting the projects.
- A total initial private sector investment of more than \$2 million in 26 industries.
- Nearly 1,000 prisoners employed (approximately 0.2 percent of the total U.S. prison population).
- Wages ranging from \$.25 to \$7.75 per hour.
- 1983 total gross sales in excess of \$21 million.
- \$4.4 million in wages paid to prisoner workers between 1976 and 1984 and more than \$775,000 paid in taxes and \$470,000 in room and board charges.

2. There is no one ideal form of private sector involvement in prison industries.

Of the 26 private sector prison industries operating as of January 1985, 15 represent the employer model, with the private sector both owning and operating the projects. The other 11 projects are operated by corrections agencies and represent the customer, controlling customer, or investor models. Several of the nine States with active projects have implemented only one model of private sector involvement in all of their businesses. Arizona and Utah have experimented with two different models, and Minnesota's industrial operations reflect three different models. This diversity suggests that there is no one ideal form of private sector involvement in prison industries.

3. Small businesses are more likely to prefer the employer model, while large corporations tend to favor the controlling customer or customer model.

With the exception of Best Western in Arizona, and PRIDE in Florida, all of the identified examples of the employer model are small businesses. Virtually all of these are owned and operated by individuals who founded their own small companies. Many of these entrepreneurs do not believe that it is possible for the public sector to operate a work project as a business. Some private business people express disbelief that any business involved in prison industries would do other than directly employ prisoners.

Conversely, some of the larger corporations are uninterested in direct operation of a prison industry. While voicing the same motivations for using prison labor as their small business counterparts (e.g., teach the work ethic, give inmates something to do, provide work experience translatable to the street), corporate managers seem to feel these objectives can be achieved

without operating and owning the plant themselves. The large corporation often seems content to contract for business, while the small business generally wants to control the business.

This finding is probably more illustrative of the differing business philosophies of small entrepreneurs and large corporations than of conditions inherent in the correctional setting. It does, however, have implications for a corrections agency attempting to design a strategy to involve the private sector in its industry operations.

4. Private sector prison industries require extra resources from the prison and the business.

Private sector businesses based in prisons will be successful only if both the department of corrections and the private company devote talented professional staff full-time to the project. An onsite production supervisor usually is a necessity for the company, especially during the initial operational period, because the work force must be trained in production processes, quality control standards, and inspection procedures. A full-time project coordinator is usually a necessity for the correctional agency given the continuous need for coordination and communication between the prison and the company, and because of the politically sensitive nature of private sector work projects. The correctional agency must have the professional resources to keep organized labor and competitor manufacturers informed about its private sector projects, and whenever possible should attempt to involve them in the project's development.

5. Communication and cooperation between the business and the prison will not guarantee success, but their absence may guarantee failure.

Businesses and prisons are fundamentally different in nature: Businesses require constant flexibility for success, prisons demand predictable routines. This basic difference between the two primary organizational partners in a private sector prison industry is often aggravated by a mutual lack of understanding of each partner's purposes and needs. This lack of understanding, coupled with an inability to communicate clearly, has contributed directly to the failure of some projects.

6. Wage disparities do not lead to friction among prisoners.

Private sector involvement in prison industries often introduces significant wage disparity into the prison environment, since in most cases prisoners who work in private sector projects are paid much more than those who do not. For example, the average State prisoner assigned to an institutional service crew or a traditional state-use industry receives 35 to 60 cents per hour, while most prisoners working in private sector projects earn about \$3.35 per hour.

There has been considerable speculation about the practical implications for prison administrators of such income differentials, with much concern centering on the possibility that wage disparities might cause hostility among prisoners. However, every prison superintendent interviewed in the CJA study indicated that this has not been a significant or widespread problem.

7. Private sector involvement in prison-based businesses offers specific advantages to companies with specific labor needs.

Some general benefits can accrue to virtually any company that agrees to employ prisoners. The principal economic benefit is free use of space and utilities. Some personnel cost savings can be realized by employing prison labor, primarily because employer-paid health insurance coverage is not required. These projects typically provide some public relations benefits for at least the larger companies involved and, for some organizations, fill a philanthropic or altruistic need.

There are also some specific benefits that can help companies with special labor needs. Prison labor is attractive to the employer with seasonal labor needs, who can fine-tune labor costs much more precisely, and with much less risk of losing workers, with a prison labor force than with non-prisoner workers. Prison labor is also attractive to companies with shift demands that are difficult to fill consistently (e.g., weekend or night work), and to companies with short-term product manufacturing cycles followed by long idle periods.

8. There are hidden business costs inherent in prison-based businesses.

Businesses that make use of a prisoner work force are confronted with a set of personnel costs unique to the prison setting. These hidden costs of doing business inside prison revolve around four factors:

- turnover
- training
- mobility
- manipulation<sup>4</sup>

It is a widespread misconception that prisoners remain in the same institution for years on end. The average length of incarceration in the United States is approximately 2 years and, in many States, a prisoner will spend that time in more than one facility. Such movement through the prison system contributes to high turnover rates among the prisoner work force.

The combination of high worker turnover and the general lack of both work experience and skills inherent in most prison work forces, results in high training costs for many prison-based businesses. These costs may be further inflated by the fact that, unlike businesses outside the prison that encourage upward mobility within the work force as a means of developing ledmen and supervisors, the prison industry is faced with outward mobility as prisoners leave the facility.

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4 These four points were identified by Fred Braun of Zephyr Products, Inc., in June 1984 at the "Factories With Fences" conference hosted by George Washington University, Washington, D.C.



Finally, the manager of a prison industry is often confronted with a problem that prison administrators have been dealing with for years--prisoner manipulation. Many prisoners devote considerable time and effort to "con games" both on the job and elsewhere, and the time spent by private sector managers and supervisors in learning to deal with such behavior is costly. Growing disenchantment of a private business person with prisoners as a work force could bring an end to his participation in such ventures.

9. Private sector involvement in prison industries has created problems in defining the legal status of inmate workers.

Inmates employed by State-owned and operated prison industries in the past have not been considered employees in the strict legal sense of that term. With the private sector now becoming involved in prison industries, the status of inmate workers has become more complex. The issue is critical in the area of wage policy, for its resolution will determine whether the Fair Labor Standards Act (FLSA) is applicable to prisoners involved in privately owned and operated businesses.

The courts have consistently rejected prisoners' claims to minimum wages and benefits under the FLSA, but have not rejected such claims out of hand. Instead, the courts have based their decisions on whether or not prisoners come within the coverage of minimum wage laws. The changing nature of prison work programs--especially the increased involvement of the private sector in operating such programs--may change the courts' conclusions.

#### V. Next steps

##### Recommendations for correctional agencies

Correctional officials interested in developing private sector/prison industries should heed the following recommendations and caveats:

1. Before beginning, ensure that appropriate State enabling statutes exist, and that the project meets Federal legislative and administrative requirements for shipment in interstate commerce, if appropriate.
2. Develop a plan for recruiting the private sector and for maintaining the businesses once they are operational. The plan should address internal organizational development, targeted public education, and organized private sector recruiting.
3. Identify groups likely to react adversely to the private sector initiative and consult with them early in the planning phase.
4. Clearly state in a formal contract the responsibilities and obligations of both the private sector business and the correctional agency.
5. If the correctional agency has a strong correctional industry program, it should seriously consider implementing either the customer or controlling customer model. Larger corporations would be good candidates to approach regarding possible interest in these models.

6. If the agency has no correctional industry program, or has a weak program, it should seriously consider implementing the employer model. Smaller businesses or entrepreneurs would be good candidates to approach regarding possible interest in these models.
7. Note that there are models other than the three mentioned above. An agency with a weak correctional industry program might benefit, for example, from the manager model or the joint venture model.

#### Recommendations for private businesses

Private sector firms interested in becoming involved with prison industries should heed the following recommendations and caveats:

1. Obtain the active support of key corrections officials (in both the central office and the institutions) before attempting to implement a project.
2. A private business without a standard product line should be cautious about participation in a prison based operation because of the high cost of retraining prisoner workers each time a new product or production process is introduced.
3. Examine the relevance of the Fair Labor Standards Act to the proposed project. If a genuine employer-employee relationship will exist between the private business and the prisoner worker, then the minimum wage provisions of the FLSA may apply to that business.
4. Consider staffing the project with specially trained production supervisors. Private sector production management personnel should receive special training from the correctional agency in security and safety procedures.

**APPENDIX I (H)**  
**EXERPT**  
**Guidelines for Prison Industries**

by  
Robert C. Grieser  
Neal Miller  
Gail S. Funke

Institute for Economic and Policy Studies, Inc.

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## How to Use the Guidelines

*Guidelines for Prison Industries* is presented in four parts to facilitate access to the appropriate information sought by the user. These four parts correspond to the four key component areas of the study, i.e., first, the responses to the 50-state survey; second, the legislative guidelines; third, model policies and procedures; and fourth, court actions and standards impacting prison industries. A brief synopsis of the content and format in each part will assist the reader in using the *Guidelines*.

Part I, "State-of-the-Art Survey," begins with an introduction to the study and a brief description of the methodology used to accomplish the results in this report. This is followed by detailed examination of the findings from a 50-state telephone survey conducted as part of the study. Several tables which depict the responses to our survey on a state-by-state basis are included with the discussion. Looking at the tables, the user can quickly determine, for example, which states assign security personnel to supervise industries inmates, or which states provide extra good time for inmates employed in industries.

Part II, "Legislative Guidelines," reports on the multitude of state laws relating to prison industries, focusing on five major areas: (1) organizational issues; (2) operational issues; (3) inmate compensation issues; (4) purchasing law requirements and authorities; and (5) marketing. Under each of these major headings, excerpts from the legislation are presented to illustrate the objective which these laws are intended to accomplish. For example, the section on state-use laws shows those laws that are used to determine pricing decisions, those that require local units of government to buy from industries, those that specify how purchases are to be made. Each of the issue areas is followed by a discussion of the relative merits of the various statutes presented. At the beginning, a section is provided on legal and political strategies for using the legislative guidelines. An attachment at the end of Part II illustrates the statutes currently in effect related to prison industries on a state-by-state basis. This attached matrix will tell the user, for example, how many states have limits or other restrictions on their revolving funds. The matrix can also serve as a checklist for any state looking to revise particular areas of its legislation.

Part III, "Model Policies and Procedures," which is based on materials collected from a number of states, addresses specific policies and procedures and should serve as guidelines for state industry operations. The particular areas covered include general administration, budget and accounting, recruitment and training of inmate workers, safety programs, wages and reimbursement, inmate supervision, security, and scheduling. The policies and procedures follow the American Correctional Association format which outlines the authority, purpose, applicability, and definitions related to the areas covered.

Part IV, "Court Actions and Standards Impacting Prison Industries," is divided into two sections. The first section analyzes court decisions relating to prison industries; the second examines the relevant standards impacting on industry programs. A table in each section provides the reader with a cross-reference of both court decisions and standards by relevant issue area which may be affected. For example, the standards cross-reference tells the user what the various groups of standards say regarding inmate wages or wage disbursements.

Finally, a Critical Issues Index is provided after the Table of Contents. The index is organized by key issue area. A number of issues exist, e.g., wage compensation, which are discussed in each of the four parts. Thus, the Issues Index enables the reader concerned with a particular issue such as wage compensation to quickly locate discussion on this issue with respect to the survey findings, the legislation, policies and procedures, court actions, and standards.

In sum, the *Guidelines* may be used by legislators, corrections officials, industries directors, and institutional personnel in a number of ways. Part I serves as the foundation for the *Guidelines* by reporting on the current status of prison industries across the nation. Parts II and III represent the bulk of the report since they provide the necessary tools to help a state create or modify both its authorizing legislation and operational procedures. Part IV focuses on questions of prison industries accountability as it assesses the implications of court actions and standards.

Table 1.2 Organization and Scope by State

ORGANIZATION AND SCOPE	STATE																											
	AL	AK	AZ	AR	CA	CO	CT	DE	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO			
Number of major institutions with industries <sup>1</sup>	5	1	5	5	10	8	4	4	17	7	2	1	12	4	4	3	5	4	1	5	6	3	5	1	4			
Same shops at multi-institutions	NA	X		X	X	X	X	X	X	X	NA	X	X	X				X	NA		X	X	X	NA	X			
Total number of shops	9	2 <sup>1</sup>	10	8	38	20	19	7	53	13	2	12	34	39	13	7	14	18	5	18	25	13	19	11	15			
Inter-institutional joint products	NA	X	X		X		X	X	X	NA	X	X	X	X				X	NA	X	X	X	X	NA	X			
Number of shops at women's institutions	NA	1	2	2			1	1	3	1	NA	2	1	2	1			1	NA	4	3	4	4	1	3			
Prison industry director reports to: (1 = Commissioner; 2 = Assistant/Deputy Commissioner; 3 = Warden; 4 = Other)	2	4	1	2	4	1	2	1	2	2	1	3	2	2	2	2	1	2	3	1	1	1	2	2	2			
Prison industry director attends DOC executive staff meetings		X	X	X	X	X		X	X		X		X		X		X		X									
Prison industry director administers agricultural programs		X	X		X	X	X	X	X			X	X			X	X								NA	X		
Other labor under prison industries: (1 = Institutional maintenance; 2 = Work release; 3 = Public works; 4 = Vocational training)	1-3		3			4	1			4			X	NA	X	X	X	1	X	NA	X	X	X	X	X			
Industrial coordinator at facilities	X	X	X	X	X	X	X	X	X	X	NA	X	X	X	X	X	X	X	NA	X	X	X	X	X	X			
Coordinators report to (W = Warden; FI = Prison industries director; B = Both)	B	B	PI	PI	PI	PI	W	PI	W	B	PI	NA	PI	W	B	PI	PI	W	PI	PI	B	PI	W	PI	PI			
Direct participation on classification board (1 = Sits on board; 2 = Hire/fire authority thru job application procedure; 3 = Varies by institution; 4 = Little or no input)	1	4	1	4	1	4	1	4	4	4	4	4	3	1	1	2	4	4	2	4	4	1	1	4	1			
Regional prison industries offices		X				X		X																				
Functions performed (C = Central office for prison industries; I = Institutional; B = Both central/institutional; D = DOC central office; S = Other state office)																												
- Planning	C	C	C	B	C	C	C	C	C	C	C	I	C	B	C	C	C	C	I	C	C	B	I	C				
- Fiscal management	C	C	C	C	I	C	C	B	C	C	I	C	B	C	C	C	C	C	I	C	C	C	B	I	C			
- Quality control	I	B	I	I	I	I	I	I	I	I	I	I	B	I	I	I	I	I	B	I	B	I	C	I	I			
- Ordering/customer relations	C	B	B	C	C	B	C	B	B	C	I	I	C	I	C	B	C	I	C	B	C	B	I	C				
- Pricing	C	C	B	C	C	I	C	C	B	I	I	C	C	C	C	C	C	I	S	C	B	I	C					
- Purchase of raw materials	C	C	C	C	I	C	B	B	C	I	B	C	S	C	C	D	I	C	B	C	I	C						

1. Surveys states reported having industries at facilities other than major institutions, including farms, camps, and independent private ventures.

2. Tennessee was reorganized on July 1, 1983, moving all industries and farms (except two at women's facility) to one facility in a 12-18 month period. They will be headed by an Industrial Warden and placed under the Division of Adult Services. Division of Agriculture-Industry was abolished.

3. Alaska prison industries is still in its early stages of development, having only been authorized since July 1, 1982.

4. Arizona and start-up by end of 1983 as a result of court order.

5. New York has three shops at a cond facility; the women's facility had an automotive shop that was closed due to lack of interest.

6. Legislation says institutional maintenance is under prison industries but funds have been transferred back to the institutions to operate.

Table 1.2 Organization and Scope by State (Cont.)

ORGANIZATION AND SCOPE	STATE																									
	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	
Number of major institutions with industries <sup>7</sup>	1	2	2	1	6	3	12	3	2	8	5	2	8	4	7	1	4 <sup>8</sup>	10	1	2	7	4	2	4	3	
Same shops at multi-institutions	NA	NA	X	X	X	X	X	X	X	X	X	X	NA	NA	NA	X	NA	X	NA	X	X	X	X	X	X	
Total number of shops	9	8	8	10	17	14	29	25	10	27	17	8	35	11	10	5	13	23	7	6	19	20	8	4	4	
Inter-institutional joint products	NA	NA	X	X	X	X	X	X	X	X	X	X	X	NA	X	X	NA	X	X	NA	X	X	X	X	X	
Number of shops at women's institutions	NA	1	NA	1		3 <sup>9</sup>	4	NA	1	2	2	3	1	1	NA	1	1	NA	NA	3	1	NA		DK		
Prison industry director reports to (1 = Commissioner, 2 = Assistant Deputy, Commissioner, 3 = Warden, 4 = Other)	1	1	2	1	2	2	4	2	3	1	2	4	1	1	2	3	2	1	3	4	4	2	1	2	3	
Prison industry director attends DOC executive staff meetings	X	X	X		X				X	X	X	X	X	X	X	X	X		X		X	X	X	X		
Prison industry director administers agricultural programs	X		X	X	X	X	X			X	X	X						X	X		X					
Other labor under prison industries (1 = Institutional maintenance, 2 = Work release, 3 = Public works, 4 = Vocational training)	4		3				4	3										1	3 <sup>9</sup>		2	4				
Industrial coordinators at facilities	NA	X	NA	NA	X	X	X	X	X	X	X	X	X	NA	NA	X	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Coordinators report to (W = Warden; PI = Prison industries director; B = Both)	PI	B	NA	PI	B	PI	B	PI	B	B	B	W	B	PI	PI	W	PI	W	NA	PI	PI	PI	PI	PI	PI	W
Direct participation on classification board (1 = Sits on board, 2 = Hire/fire authority thru job application procedure, 3 = Varies by institution, 4 = Little or no input)	2	1	4	2	1	1	1	3	1	4	1	1	3	1	1	4	4	4	4	1	1	2	4	2	4	
Regional prison industries offices									X										X							
Functions performed (C = Central office for prison industries; I = Institutional; B = Both central-institutional; D = DOC central office, S = Other state office)	1	C	I	D	1	C	C	C	D	C	C	C	C	C	C	C	1	C	C	1	C	C	C	C	C	I
- Planning	1	C	D	1	C	C	C	D	C	C	C	C	C	C	C	C	1	C	C	1	C	C	C	C	C	I
- Fiscal management	1	C	D	1	C	C	C	D	C	C	C	C	C	C	C	C	1	C	C	1	C	C	C	C	C	D
- Quality control	1	1	1	1	1	B	1	1	1	B	B	B	1	1	B	1	1	C	1	1	B	C	1	1	1	1
- Ordering/customer relations	1	C	D	1	C	C	C	B	C	C	B	B	B	B	C	C	1	C	1	C	1	C	C	C	C	1
- Pricing	1	B	S	1	C	C	C	C	C	C	C	C	B	C	C	1	C	C	1	C	C	1	C	C	C	1
- Purchase of raw materials	1	B	S	1	C	C	C	C	C	C	C	C	B	C	C	1	C	C	1	C	C	1	C	C	C	1

MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WY WI WY

7 Both Louisiana and Vermont also operate one vocational technical program under prison industries

8 West Virginia is in the process of reorganizing; effective July 1, 1983. Prison industry shops are being shifted under vocational training to increase the number of inmates working (two half days a week are planned)

9 Not at all facilities

10 Nevada is a special case having two institutions with industries but no central authority over prison industries. Industries staff are all part time or shared

11 Vermont and Michigan have part of their central office administration located at a major institution

12 Ordering and customer relations are under study in Indiana

## Attachment A

## Summary Review of State Laws Defining and Establishing Correctional Industries

This review of legislation for prison industries in the 50 states and the District of Columbia was used as the basis for the development of the legislative guidelines materials. It is important to note that the attached statutory summary refers only to legislative authorities or restrictions without reference to ex-

isting policies and practices. Thus, the absence of any implementing action does not negate the underlying laws. In the absence of clear expressions of authority, we chose to stay with a conservative interpretation. Hence any authority potentially derived from ambiguous language is not included. This review incorporated all published legislative reports available as of December 1983.

\* Institute of Economic and Policy Studies, Inc.  
1220 King Street  
Alexandria, Virginia 22314

## Correctional Industries Legislation Review

	STATE																									
	AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
<b>A. AUTHORIZATION LOCUS (LOC)</b>																										
Commissioner/Director/Board of Corrections <sup>1</sup>	X	X	X	X			X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Industries Office Established							X	X						X							X		X			
Warden/Superintendent Authority																				X						
Industries Board/Corporation			X		X					X	X															
<b>B. PURPOSE SPECIFIED<sup>2</sup></b>																										
Reduce Correctional Costs/Self-Supporting	X	X	X	X	X	X				X							X	X	X	X	X	X	X	X	X	X
Training/Work Experience <sup>3</sup>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Benefit of State							X			X									X	X	X	X				
Goal of Rehabilitation/Reintegration	X			X	X			X	X	X							X	X	X	X	X	X	X	X	X	X
Idleness Prevention <sup>4</sup>							X			X			X						X				X			X
<b>C. AUTHORIZED OPERATIONS</b>																										
General Grant of Authority	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Agriculture Operation	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Manufacturing Operation	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Service Operation	X									X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
License Plates/Tags					X								X	X					X	X			X			X
State Signs														X					X							
Printing																										
Facility Maintenance (A = Authorized; I = authorized under Industries)	A				I									A		A	A	A	A			A		A		A
Public Works (A = Authorized; I = under specified Industries)	A	A	A	A	A	A	A	A	A	A	A	I	A	I	A	A	A	A	A	A	A	A	A	A	A	A
Other <sup>5</sup>						X		X								X										X
<b>D. ADVISORY OR OVERSIGHT BOARD ROLE</b>																										
General Advice <sup>6</sup>	X				X						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Specific Approval Required <sup>7</sup>	X	X												X												X
Expansion or Closing of Industries Approval or Public Hearings <sup>8</sup>	X	X	X	X	X	X								X	X											X
<b>E. MARKETING (R = Required, P = Permitted)</b>																										
State Agencies Purchasing <sup>9</sup>	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
County/Local Agencies Purchasing	P	P	P	P	P	P	P	P	N/A	P	R	P	P	R	R	P	P	R	P	P	P	P	P	P	P	P
Federal Government Agencies Purchasing	P		P	P	P	P	P	P		P	P			P	P		P	P			P	P				P
Nonprofit Agencies Purchasing <sup>10</sup>	P		P		P					P	P			P	P		P			P	P					P
Open Market Sales <sup>11</sup>	P	P	P		P					P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Surplus to Open Market <sup>12</sup>	P		P		P	P	P			P	P			P	P				P	P	P	P	P	P	P	P
Other States' Agencies (Sales to) <sup>13</sup>	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Industries or DOC Sets Prices	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Open Market Price Requirement <sup>14</sup>	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cost Dispute Arbitration										X																
Price List Catalog <sup>15</sup>	X	X	X	X	X	X	X	X		X				X	X					X	X			X	X	X
Waiver to State Use Requirement <sup>16</sup>	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Criminal Penalty for State use Violation			X	X	X	X	X	X		X				X					X	X	X	X	X	X	X	X
Estimated Penalty for Violations			X							X														X		X
Out-of-State Inmate Goods Import Regulation/Barred																										
State Local Markets Required to Submit Estimates of Product Needs Annually <sup>17</sup>	X		X	X	X	X	X	X		X				X	X				X	X	X	X	X	X	X	X
	AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO

## STATE

Commissioner Director/Board of Corrections  
Industries Office Established  
Warden Superintendent Authority

B. PURPOSE SPECIFIED<sup>1</sup>

Reduce Correctional Costs/Self-Supporting  
Training/Work Experience<sup>1</sup>  
Benefit of State  
Goal of Rehabilitation/Reintegration  
Idleness Prevention<sup>4</sup>

### C. AUTHORIZED OPERATIONS

General Grant of Authority  
Agriculture Operation  
Manufacturing Operation  
Service Operation  
License Plates/Tags  
State Signs  
Printing  
Facility Maintenance (A = Authorized;  
I = authorized under Industries)  
Public Works (A = Authorized;  
I = under specified Industries)  
Other<sup>3</sup>

#### D. ADVISORY OR OVERSIGHT BOARD ROLE

General Advice<sup>6</sup>  
Specific Approval Required<sup>7</sup>  
Expansion or Closing of Industries Approval  
or Public Hearings<sup>8</sup>

**E. MARKETING** (R = Required;  
P = Permitted)

- State/Local Agencies Purchasing\*
- County/Local Agencies Purchasing
- Federal Government Agencies Purchasing
- Nonprofit Agencies Purchasing<sup>10</sup>
- Open Market Sales<sup>11</sup>
- Surplus to Open Market<sup>12</sup>
- Other States' Agencies (Sales to)<sup>13</sup>
- Industries or DOC Sets Prices
- Open Market Price Requirement<sup>14</sup>
- Cost Dispute Arbitration
- Price List Catalog<sup>15</sup>
- Waiver to State Use Requirement<sup>16</sup>
- Criminal Penalty for State use Violation
- Dismissal Penalty for Violations
- Out-of-State Immune Goods Import
- Reduced Barred
- State/Local Markets Required to Submit Estimates of Product Needs Annually<sup>17</sup>

MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY
X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
			X	X												X						X		
			X						X				X			X		X				X		X
					X						X					X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X	X	X	X							X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X	X		X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X	X	X	X							X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X			X						X		
X	X	X	X			X					X			X		X	X	X		X	X	X	X	X
X	X	X		X	X	X				X						X	X		X			X	X	X
X	X				X	X	X			X	X	X	X			X	X	X	X	X	X	X	X	X
X	X	X							X							X	X	X				X		
					X						X		X											

1. Multiple authorizations for prison industries may exist in a state, even where a prison industry authority exists. e.g., GA, DC—May or has authority over industries.
2. In addition, to the state goals listed here, ME has legislated industries' goal to include public restitution. IA—dependent support; NM—commission to assist with post-release employment. Negative goals include: CA—minimize negative impact on private industry or labor force; MT—has two industries' programs with overlapping goals.
3. For prison industries to implement its training goal program, the DOC may be required to modify its activities, i.e., KY—DOC must classify for prison labor; TN—must classify for industries and provide training for each industry; NV—ibid.; IL—training related to prison industries must be available, as well as training after work day; change in work assignment for disciplinary reasons requires proper procedures; CO—DOC to set aside an industries' area. See also, note 21.
4. SC requires reduction of idleness and minimal occupation in marginally productive pursuits; many states prohibit the employment of inmates when not physically fit, e.g., VT.
5. CO establishes a badge manufacturing operation; DC establishes brooms and gun mounts; MO—furniture repair; SC, MD—dry cleaning for uniforms, WV—book binding; WI—auto shops. NY, CA, GA, ID and MN may pay for vocational education or training. IA authorizes industries to establish community-based employment centers and permits the DOC to establish a bonus system for sales personnel.
6. NV—requires periodic assessment of prison industries by qualified persons, professional groups or trade associations. MI—permissive not mandatory to establish Advisory Council.





Contracting for Inmate Labor Prohibited  
Private Industry Permitted<sup>23</sup>  
Work Release Authorized  
Wage Requirements Established

[illegible]

- 19 SD—separate accounts for each plant for audit review case; IL—extensive reporting requirements include recidivism and postrelease employment; standard accounting procedures to be used in AK, CA, ID, and OH.
- 20 NE—no priming in competition with outside labor; MA—take into account job market and employment conditions in community.
- 21 IL and NM—minimize disruption by adjusting institutional schedules to avoid conflicting activities. Other programs shall be available after work hours. See also, note 3.
- 22 SD—funds to be invested in daily balance interest account by Treasury; NE—Treasurer to invest funds; ID and NM—interest credited to fund.
- 23 MI—supervisory costs that relate to custody and security to be paid by DOC; ID—industries employees exempt from state civil service.
- 24 IA—non inmate workers fund established from pay-back provision.
- 25 KS—5% of gross profits goes to equipment replacement fund; DC—requires that equipment and other fixed assets be depreciated.
- 26 Departments may advance funds to pay for purchase of raw materials.
- 27 CT—no purchase over \$2,000 without approval; OR—prohibition on use for DOC expenses; TN—capital expenditure over \$2,500 requires governor's approval.
- 28 CA—borrow for specified uses only (from private).
- 29 UT and NV—authority for administrative exemption exists; RI—law is unclear; NM—limited to less than \$2,000; MI—provides for the establishment of "rule methods" of purchasing.
- 30 CA and AK—authorize wages up to nine-half minimum wage; WI—set at rate not to cause deficit.
- 31 IL and IN—include inmates in the unclassified state workers service, which can be interpreted to imply authorization for coverage; MA—does not include prison employees; TN—Tort Claims Act Procedure; NM—legislative ratification.
- 32 DE and KS—when dependents are on public assistance, PA—consent required, up to % of pay; NE—has extensive scheme to provide due process protection to inmates receiving minimum wages from unfair deductions of any type.
- 33 WA—(incentive provided by 15% preference in state bids; MN—inmate corporation banned; TN and LA—have restitution industries; special boards to lure private companies exist in FL and OK; AR and HI—legislation is ambiguous on this issue; SC—authority relates to employment opportunities for physically handicapped, mentally retarded, or aged inmates.

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#### *Other Materials: State Policies and Procedures*

Alaska  
California  
Connecticut  
Delaware  
Florida  
Illinois  
Iowa  
Michigan  
Missouri  
Nebraska  
Ohio  
Oklahoma  
Oregon  
Tennessee  
Virginia  
Washington

## Appendix B

### State Industries Programs

The basis for the attached list of state industries programs are those reported in the *1983 Correctional Industries Association Directory*. The list has been modified to include information collected through the 50 state industry survey to reflect both new industries which have recently been started as well as those programs which have been phased out. No attempt was made in the survey, however, to systematically verify each program listed in the *CIA Directory*. The survey does demonstrate that a number of states are in the process of discontinuing outmoded industries and to an even greater extent have plans for starting new industries.

#### Aleabama

Auto Validation Decals	Metal Products
Data Entry	Printing
Furniture	Tag Plant
Garment Manufacturing	

#### Alaska

Body Fender	Farm
-------------	------

#### Arizona

Bedding	Meat Processing
Dairy	Metal Products
Data Processing	Printing
Farming	Sign Shop
Furniture	Swine Herd
Garment Manufacturing	Tag Plant

#### Arkansas

Engraving	Printing
Furniture	School Bus Repair
Garment Manufacturing	Solar Energy
Mattress and Pillow	

#### California

Acoustic Screens	Metal Products
Auto Validation Decals	Office Supplies
Beef Herd	Optical Lab
Dairy	Printing
Desk Accessories	Shoe Factory
Farming	Sign Shop
Furniture--Wood and Metal	Tag Plant
Garment Manufacturing	Textile Products
Janitorial	Upholstery of Furniture
Mattress and Pillow	Wood Products

#### Colorado

Auto Renovation	Garment Manufacturing
Auto Repair	Graphics
Auto Validation Decals	Meat Processing
Beef Herd	Metal Products
Construction	Printing
Dairy	Sign Shop
Farming	Swine Herd

Feed Lot  
Forestry/Sawmill  
Furniture

#### Connecticut

Auto Validation Decals	Microfilming
Booklet Printing	Optical Lab
Data Processing	Printing
Dental Prosthetics	Purchasing
Engraving	Sales and Customer Service
Farming	Sign Shop
Forestry Products	Tag Plant
Furniture	Typewriter Repair
Furniture Refinishing	Upholstery of Furniture
Garment Manufacturing	Vehicle Maintenance
Laundry	Warehousing Mattress and Pill

#### Delaware

Farming	Swine Herd
Furniture	Upholstery of Furniture
Metal Products	Warehousing
Printing	Wood

#### Florida

Aquaculture	Furniture
Refinishing Auto Renovation	Garment Production
Bar Soap	Hay Production
Beef Production	Janitorial Products
Book Bindery	Key Punch
Brick Plant	Mattress Factory
Broom Factory	Meat Processing
Canning Plant	Metal Products Factory
Concrete Products	Optical Lab
Corrugated Box	Plant Nursery
Custom Wood Products	Poultry and Eggs
Dairy	Shoe Factory
Dental Lab	Sod Farm
Feed Mill	Swine Production
Field Crops	Tag Plant
Fire Tools	Tire Recapping
Forestry Products	Validation Decals
Furniture (Office)	Vegetable Farm
Furniture (Wood)	

#### Georgia

Auto Validation Decals	Metal Products
Concrete Products	Printing
Furniture and Seating	Refinishing and Reupholstery
Garment Manufacturing	Signs and Decals
Janitorial Products	Tag Plant
Mattress, Pillow, Textiles	Warehousing and Distribution

#### Hawaii

Printing

#### Idaho

Auto Refinishing	Tag Plant
------------------	-----------

Metal Products  
Record Conversion  
Sign Shop

#### Illinois

Auto Renovation  
Brush and Mop Manufacturing  
Cigarette Manufacturing  
Drapery  
Ethanol Production  
Farming  
Forestry Products  
Furniture

#### Indiana

Bar Soap  
Beef Herd  
Brick Plant  
Brush and Mop  
Concrete Products  
Dairy  
Farming  
Forestry Products  
Furniture

#### Iowa

Auto Validation Decals  
Dry Cleaning  
Furniture  
Furniture Upholstery  
Garment Manufacturing  
Janitorial Products  
Labor Services

#### Kansas

Bar Soap  
Farming  
Furniture Refinishing  
Garment Manufacturing  
Janitorial Products

#### Kentucky

Clothing Plant  
Data Processing  
Furniture Plant  
Graphic Arts  
License Tags

#### Louisiana

Dry Cleaning  
Garment Manufacturing  
Janitorial Products and Bar Soap  
Mattress and Pillow

Upholstery of Furniture  
Wood Products

Furniture Refinishing  
Janitorial Products  
Laundry  
Mattress and Pillows  
Records Conversion  
Sign Shop  
Tire Recapping

Garment Manufacturing  
Mattress and Pillow  
Metal Products  
Name Plates  
Orchards  
Printing  
Sign Shop  
Tag Plant  
Wood Products

Laundry  
Mattress and Pillow  
Metal Products  
Printing  
Sign Shop  
Tag Plant  
Tire Recapping

Mattress  
Paint Manufacturing  
Sign Shop  
Upholstery of Furniture  
Warehousing

Metal Fabrication  
Print Shop  
Soap Plant  
Tire Recapping

Meat Processing  
Plastic Sign Shop  
Silk Screen Shop  
Tag and Metal Fabrication

#### Maine

License Plates  
Print

#### Maryland

Brush and Carton  
Graphics and Printing  
Janitorial and Moving  
Mattress  
Meat Cutting  
Metal Work

#### Massachusetts

Auto Validation Decals  
Brush and Mop Manufacture  
Construction  
Flag  
Foundry  
Furniture Refinishing  
Furniture Wood and Fibersin  
Garment Manufacturing  
Mattress and Pillow  
Metal Products

#### Michigan

Auto Validation Decals  
Bulk Textiles  
Corrugated Box Factory  
Decals  
Furniture Upholstery  
Furniture (Wood and Steel)

Garment Manufacturing  
Graphics  
Laundry

#### Minnesota

Assembly Sub-Contracts  
Auto Renovation  
Auto Validation Decals  
Bus and Auto Reconditioning  
Data Processing  
Furniture  
Furniture Upholstery  
Garment

#### Missouri

Auto Validation Decals  
Bar Soap  
Chemical Products  
Dry Cleaning  
Furniture  
Furniture Upholstery

Upholstery  
Wood Products

Modular Welding  
Paint  
Sewing  
Tag and Sign  
Upholstery  
Woodworking and Refinishing

Microfilming  
Optical  
Printing  
Renovation Construction  
Safety Vests  
Sign Shop  
Silk Screening  
Tag Plant  
3-Ring Binders  
Upholstery

Machine Shop  
Mattress and Pillow  
Metal Products  
Mops  
Shoe Factory  
Sign Shop (Wood, Metal,  
Plastic)  
Tag Plant  
Textile Products  
Warehousing

Mattress and Pillow  
Metal Products  
Microfilm  
Office Products  
Printing  
Telephone Reconditioning  
Vinyl

Mattress and Pillow  
Metal Products  
Printing  
Shoe Factory  
Sign Shop  
Tag Plant

## Montana

Beef Herd  
Crop Production  
Dairy  
Furniture Manufacturing  
Furniture Refinishing  
Mattress Manufacturing  
Printing

Slaughterhouse  
Street and Road Signs  
Tag Plant  
Timber Management/Wood  
Products Manufacturing  
Upholstery

## Nebraska

Bar Soap  
Bedding Related Items  
Furniture  
Furniture Upholstery  
Garment Manufacturing  
Janitorial Products  
Mattress and Pillow

Metal Products  
Printing  
Reupholstery and Fabrication  
Tag Plant  
Warehousing  
Wood and Metal Products

## Nevada

Auto Refinishing  
Dairy  
Furniture  
Furniture Upholstery

Graphics/Bookbinding  
Mattress and Pillow  
Shoe Repair

## New Hampshire

Auto Mechanical and Body Repair  
Cordwood  
Data Entry Services  
Decals and Seals  
Die-Cut Letters  
Farm Products  
Furniture Stripping and Refinishing

Letterpress and Offset Printing  
Silk Screen Printing  
Street Names  
Survey and Grade Stakes  
Traffic Signs  
Validation Stickers  
Wood Products

## New Jersey

Brush and Mop Manufacturing  
Furniture  
Garment Manufacturing  
Janitorial Products  
Knitting  
Machine and Bed

Mattress and Pillow  
Metal Products  
Printing  
Sign Shop  
Tag Plant  
Warehousing

## New Mexico

Auto Refinishing  
Auto Renovation  
Clothing  
Dairy  
Farming  
Furniture  
Furniture Upholstery

Graphics  
Mattress and Pillow  
Micrographics  
Printing  
Sign Shop  
Sod Farm  
Tag Plant

## New York

Bar Soap  
Furniture  
Furniture Reupholstery  
Garment Manufacturing  
Janitorial Products

Mattress and Pillow  
Metal Products  
Optical  
Printing  
Tag Plant

## North Carolina

Beef Herd  
Canning Plant  
Farming  
Forestry Products  
Garment Manufacturing  
Graphics  
Institutional Services  
Janitorial Products  
Laundry  
Livestock  
Mattress and Pillow

Meat Processing  
Metal Products  
Paint Plant  
Poultry and Eggs  
Printing  
Sign Shop  
Swine Herd  
Tag Plant  
Upholstery of Furniture  
Wood Products

## North Dakota

Beef  
Corrugated Box  
Dairy  
Decals  
Fibersin Furniture  
Field Crops  
Furniture Restoration  
General Labor  
Hardwood Furniture  
Institutional Mattresses

Janitorial Products  
Laundry Care Products  
Metal Products Fabrication  
Park Furnishings  
Playground Equipment  
Special Mill Work  
Specialty Signs  
Swine  
Traffic Control Signs  
Upholstered Furniture

## Ohio

Auto Validation Decals  
Chewing and Shredded Tobacco  
Dental Prosthetics  
Furniture, Wood and Fibersin  
Garment Manufacturing  
Janitorial Products  
Mattress, Pillow and Chair  
Cushions  
Metal Products  
Micrographics

Printing (2)  
School Bus Renovation  
Shoe Factory  
Sign Shop  
Tag Plant  
Tire Retreading  
Truck Modification and  
Snow Plows  
Vehicle Paint and Body  
Shop

## Oklahoma

Beef Herd  
Canning Plant  
Corrugated Boxes  
Dairy  
Data Entry  
Draperies  
Farming  
Furniture  
Furniture Renovation  
Furniture Upholstery (2)  
Garment Manufacturing (2)

Livestock Feed  
Mattress and Pillow  
Meat Processing  
Metal Products  
Microfilming  
Poultry and Eggs  
Printing  
Sign and Decals  
Swine Herd  
Tag Plant  
Warehousing

## Oregon

Auto Renovation  
Dry Cleaning  
Furniture  
Laundry

Maintenance  
Mattress and Pillow  
Shoe Factory  
Upholstery of Furniture

## Pennsylvania

Auto Refinishing  
Auto Renovation  
Auto Validation Decals  
Bar Soap  
Beef Herd  
Canning Plant  
Coffee and Tea  
Corrugated Boxes  
Dairy  
Dental Prosthetics  
Drapery  
Farming  
Flags  
Forestry Products  
Freight Trucking  
Furniture Upholstery  
Furniture—Wood and Metal

Garment Manufacturing  
Graphics  
Hosiery and Gloves  
Janitorial Products  
Livestock Feed  
Mattress and Pillow  
Meat Processing  
Metal Products  
Plant Nursery  
Printing  
Shoe Factory  
Sign Shop  
Swine Herd  
Tag Plant  
Warehousing  
Wood Products  
Woven and Knitted Textile  
Yard Goods

## Rhode Island

Agriculture  
Auto Body  
Furniture  
Furniture Upholstery  
Garment Manufacturing

Graphics  
Printing  
Sign Shop  
Tag Plant

## South Carolina

Aiken Furniture Refinishing  
Apparel Plant  
Central Laundry  
Dutchman Janitorial  
Kirkland Furniture

Mattress Factory  
Metal Shop  
Perry Wood Products  
Tag Plant

## South Dakota

Book Bindery  
Farming  
Furniture  
Furniture Upholstery

Sign Shop  
Tag Plant  
Wood Products  
Wood Refinishing

## Tennessee

Dairy  
Data Processing  
Farming  
Garment Manufacturing  
Maintenance  
Mattress and Pillow  
Metal Products

Paint Manufacturing  
Printing  
Sign Shop  
Tag Plant  
Upholstery of Furniture  
Warehousing  
Wood Products

## Texas

Auto Renovation  
Auto Validation Decals  
Box Factory  
Brush and Mop Manufacture

Metal Products  
Plastic Sign Factory  
Records Conversion  
Shoe Factory

Dental Prosthetics  
Dump Bed Bodies  
Furniture

Sign Shop  
Soap, Detergent and Wax  
Tag Plant

## Utah

Dairy  
Farming  
Furniture  
Meat Processing  
Metal Products

Printing  
Sign Shop  
Swine Herd  
Tag Plant

## Vermont

Community Service Crews  
Dairy  
Furniture  
Furniture Refinishing  
Plate and Sign Shop (Metal)

Pressure Treated Lumber  
Printing  
Silkscreening  
Wood Products

## Virginia

Data Processing  
Dental Prosthetics  
Furniture  
Furniture Upholstery  
Graphics  
Laundry  
Maintenance  
Meat Processing

Metal Products  
Printing  
Shoe Factory  
Sign Shop  
Tag Plant  
Textile  
Warehousing  
Wood Products

## Washington

Dairy  
Furniture  
Furniture Upholstery  
Graphics  
Laundry  
Mattress  
Metal Products

Microfilm  
Pork  
Printing  
Private Industry—Restaurant  
Private Industry—Sewing  
Sign Shop  
Tag Plant

## West Virginia

Graphics  
Printing

Tag Plant

## Wisconsin

Data Processing  
Graphic Design  
Laundry  
Management Support  
Metal Stamping  
Printing

Refinishing  
Sales  
Sign Shop  
Upholstery  
Warehousing  
Wood Products

## Wyoming

Garment  
Laundry


Sign Shop  
Tag Plant



## APPENDIX I (I)

## Memorandum



Subject Summary of Guidelines for Prison Industries, NIC, 1/84 (Completed by Institute for Economic & Policy Studies, Inc., Alexandria, VA.)	Date JUL 11 1984 
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To Richard B. Abell Deputy Assistant Attorney General From Nicholas Demos Program Manager, PMD/OPM

- A. General. This excellent report provides the most complete overview of state prison industries to date. It is based on an extensive telephone survey of all states prison industries, which is summarized in Part I. Tables allow any state to compare its 1983 prison industry organization, legislation and operating procedures with those of other states in a comparative framework. This section is the heart of the report.

Parts II and III provide comparative assessments of legislative provisions and policies and procedures for prison industries. The trends in prison industry organization, inmate compensation, purchasing, marketing, budget authority, supervision and security are dissected, with examples from particular states.

Part IV, dealing with Court Actions and Standards, is of marginal value, and only of interest to persons working on particular issues.

This report, together with the upcoming NIJ publication this fall of Structures for Private Sector/Correctional Industries (Criminal Justice Associates, Inc.) should provide needed guidance and a range of options for any state that wishes to update its prison industries.

- B. Part I Survey of State Prison Industries (as of 1983). Some interesting data can be extracted from the survey. For example:
- Florida has the greatest variety of industry shops—53. The mean number of shops for all states is 16.
  - Texas reports more inmates working in prison industries than any other state, namely 4,200 inmates; California was highest in the manufacturing area with 2,152 inmates.
  - The mean production capacity of state prison industries was 68 percent; the practice of featherbedding is still a serious problem.
  - The average inmate wage paid was just over \$3.00 per day, and 20 states reported a variety of inmate-worker fringe benefits.
  - The size of prison industry operating budgets ranged from a high of \$36.3 million in Texas, with an average budget of \$7.9 million.
  - Thirty states showed a profit for manufacturing/service industries, and 15 states showed a loss; of 18 states reporting on agricultural operations, 11 lost money in FY 1983. (In general, agricultural operations, other than dairy and meat processing, lost money, and were subsidized by other industries.)

Richard B. Abell

- Because they operate in a secure setting, few prison industries would be profitable if they had to absorb all overhead costs.
- Thirty-six states said they would like to increase private sector (business/labor) involvement in prison industries, though only 22 states had done so to date. Key needs include: capital, marketing assistance, design of new products and services, and public relations.
- In the last three years, 36 states have experienced some legislative change related to prison industries.
- A majority of 38 states said that prison overcrowding had an overall detrimental effect on prison industries (pressure for featherbedding, constant shifts and transfers of inmates.)
- Although 30 states stated that selected shops had been phased-out over the past three years, 25 states reported that unprofitable operations are still maintained for other reasons (keep inmates busy, lack of options, etc.).
- 42 states report plans to start up new prison industries, with 26 of those states emphasizing service-type industries; industries most commonly being phased out include: canning, dental, concrete, tire recapping, and auto body shops.

C. Legislative and Procedural Trends (Parts II and III).

In organization terms, the trend is toward establishment of a semi-autonomous prison industries division parallel to other major DOC divisions. Typically, the prison industries unit is overseen by a board made up of representatives of corrections, state agencies, organized labor, industry and the legislature.

Ex., In California there is a separate Prison Industry Authority, governed by a Board of Directors. The Board "has all the powers...which the board of directors of a private corporation" have.

For financial transactions the prison industry unit has a revolving fund made up of original state appropriations and proceeds from the sales of its products. For staff, the trend is toward hiring industrial managers outside of the state civil service system.

There is also a trend toward payment of wages for inmate labor, including graded wage schedules, incentive pay (with limits), and deductions at the higher end of the pay scales—most current wages, however, are only considered "gratuities".

Ex., In Washington, the code provides that "All inmates working in prison industries shall participate in the cost of corrections" based on a formula developed by DOC. The deduction is placed in the general fund and must not "unduly discourage the incentive to work." There is also the possibility of establishing "deductions for restitution, savings, and family support", again with the same caveat.

Other prison industry trends follow our PIE model—movement towards profitability, sound cost accounting, and efficiency.

A listing of state prison industries can be found in Appendix B at the end of the report.

## APPENDIX I (J)

THOMAS N. KIRKNESS  
8TH DISTRICT, OHIO

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES

March 19, 1984

2417 PINE HILL LANE  
WASHINGTON, D.C. 20515  
(202) 811-6205

648 HUSH STREET  
HAMILTON, OHIO 45011  
(513) 895-5656  
TOLL FREE: 1-800-322-1001

234 EAST MAIN STREET  
GREENVILLE, OHIO 45331  
(513) 548-0817

The Honorable Glenn M. Anderson  
Chairman  
Subcommittee on Surface Transportation  
Committee on Public Works and Transportation  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

It has come to our attention that a recent hearing before your Subcommittee addressed provisions of the Surface Transportation Act which have allegedly had an adverse effect on the traffic control industry.

Representatives of the sign-making industry testified that the presence of prison industries in the sign making market is detrimental to their business. It was alleged that the recent repeal of the Surface Transportation Act's prohibition on the use of prison-made materials on federal highways and the resumption of prison sign shop operations result in lost jobs and an overall depression in the private sign-making market. Mr. Chairman, we strongly disagree with these statements.

Prison industries have operated successfully in 37 states for the past 30 years. Their presence is not new to the sign making industry. More importantly, prison industries do not dominate the highway product market. According to the Correctional Industries Association, the annual national sign market is estimated to be approximately \$500 million. While highway signs are a significant component of prison industries output, their annual sales total only approximately \$19.5 million -- a market share of only 4%.

These industries provide prisoners with skills they can use in a working society, and have been shown to reduce the rate of inmates' recidivism. In his year-end report on the judiciary, Chief Justice Burger said, "It is time to halt the construction of mere 'human warehouses,' and to turn instead to the creation of institutions that train prisoners with marketable skills and let them engage in meaningful productive work to help pay the cost of prisons." We strongly support the idea that prisoners should help defray their living costs to

The Honorable Glenn M. Anderson  
 March 19, 1984  
 Page 2

the taxpayers and should be rehabilitated to reduce their rate of recidivism.

The issue of operating prison sign shops is not providing "jobs for law abiding citizens versus those who break the law", rather it is providing the opportunity for prisoners to contribute to their upkeep (and to their families') while they are incarcerated and lowering the chances that they will be repeat offenders.

We respectfully request that this letter and the accompanying statement from the American Correctional Association be entered into the Surface Transportation Subcommittee hearing record of March 7th, 1984.

Sincerely yours,

  
 ROBERT W. KASTENMEIER

  
 THOMAS N. KINDNESS

## APPENDIX I (K)



3802 - 14th Avenue, Brooklyn, New York 11218

Phone: (212) 435-3900

April 5, 1984

Ted Weiss  
U.S. House of Representatives  
House Office Building  
Washington, D.C. 20515

Dear Congressman,

The Federal Prison Industries, a branch of the Justice Dept., is threatening to take over the federal drapery market!

If this is permitted to happen, it will have severe consequences on our future, let alone what is happening now!

The Federal Prison Industries, (FPI), intends to dramatically expand its activities in the manufacturing of custom draperies for government facilities.

We feel that this contemplated increased intrusion into this field is, if not a serious violation of the intent of the law, an activity will substantially hurt every one of the small businesses now competing with each other in a very heavily competitive industry.

The nature of our business, manufacturing custom draperies, is such that it has to be a very small business enterprise, in many cases not exceeding 15 or maybe 20 employees. We average less than that.

While we ourselves are not entirely dependant upon government contracts, we have been very much affected by the loss of business that we might have had if the FPI, going under the label of UNICOR, were not in competition with us and our industry competitors.

It has been estimated that up to now UNICOR has taken approximately \$250,000.00 in annual sales. It now contemplates increasing its annual sales to about \$2,500,000.00 annually.

It plans to accomplish this by using the subsidies generated by our tax dollars to hire outside help. It plans to have professional sample books made and have sales people, (contractors) servicing potential customers. This means visiting the sites and measuring the windows and showing the samples, etc.

All this is being done with our being left out in the cold because we cannot possibly compete pricewise.

FPI has a captive labor force consisting of convicted criminals who are paid minute wages in comparison to what we have to pay our workers. In addition, they have practically no overhead.

They pay no taxes.

They can understate their costs to any figure they wish.

They do not have to have a G.S.A. contract wherein prices are guaranteed for 3 years, among other restrictive clauses borne by private small businesses wishing to do business with the government.

We cannot understand the logic of the government in permitting this to happen. If it is not illegal, or at least contrary to traditional government policy designed to protect small business and encourage them to do business with the government, then it has to be at least immoral.

In fact-IT IS OBSCENE!

Small businesses are life blood of our economy. Any actions permitted by the government to undermine our existence can only result in disaster for many, many small businesses.

This should not be taken lightly because if it is permitted to happen here and now, the same logic may be applied to other industries which would snowball the damages.

FPI intends to increase its California facility and in addition plans to create a brand new facility somewhere on the east coast.

Already the FPI has obtained a substantial custom drapery contract from the USAF Academy. This hurt!

By taking business away from the private sector the government has lost revenue that would have resulted from sales by the private contractor. People who would have been gainfully employed are not now employed and some are probably collecting unemployment insurance or some other form of assistance.

This creates even more of a burden upon the business community because since the government, not being a profit making industry, cannot pay the taxes from which the revenue collected, pays for these services. It must then pass the burden back onto the depleting business income in the form of additional taxes which are already being taxed far more than it can legitimately afford.

If you project this into the future you can readily see that eventually the taxable income from business will deplete itself to the point that no revenue will be forthcoming to pay the bills of government.

Why let this horrendous situation continue? It can only create chaos!

STOP IT NOW!

We have no complaint against the Justice Dept wanting to create useful and productive citizens out of the convicts by teaching them usefull legitimate trades.

We do have a complaint when they engage in activities that undermine the businesses that are supporting the government.

There are alternatives. The efforts of the Justice Dept. and the FPI can be directed into channels that won't adversely affect us. There are ~~(hundreds)~~ of other approaches that can be utilized without creating competition to the small business communities.

All it requires is a little sound thinking.

One more piece of information that you may not be aware of.

Many small businesses wishing to do business with the government must enter into a one way contract with GSA. It is one way simply because if you do not give them the demands they make you will not get a contract. There is a pretense at negotiation. It is simply a farce.

For example; the drapery contract offered to small businesses require a price guarantee for a period of 3 years. They must carry stock. The government does not bind itself to the prices in that it reserves the right to go out on public bid in the hopes of obtaining cheaper prices than what what has already been committed to it by contract. There are a lot more beautiful clauses in the contract. The last one being that if you don't give them an additional discount based on the aggregate sales for the year or term of the contract you cannot get a contract.

Yet, the government does not have to buy \$1.00 worth of drapes from the contractor.

We believe that no government activity, however large or small, should be in competition with small business, large businesses, or even individuals.

We sincerely beg to use your good offices to stop this action and prevent it from spreading in the future.

Thank you.

*Bert Rosen*  
Bert Rosen

Submitted by Federal  
Prison. Industries,  
July 10, 1984

The Corporation operates one drapery manufacturing facility. This is at the Federal Correctional Institution, Pleasanton, California. Drapery sales were \$318,183 in fiscal year 1983 and for the first six months of this fiscal year have been \$203,648. There are now 17 inmates employed in the manufacture of draperies at Pleasanton.

During the past several months, the Corporation has had under study plans for expansion of drapery manufacture. These plans are but one adjunct of a number of measures designed to provide additional employment for a fast growing Federal Prison System population now numbering over 31,000. A projected minimum of 9000 inmates must be provided with some form of meaningful employment opportunity in a variety of occupations.

In the case of draperies, our research indicates that the annual value of federal government purchases is between \$15,000,000 and \$18,000,000. A modest expansion of the Corporation's present segment of this federal market is not deemed to present undue competition to the private sector and certainly will be a minuscule incursion on the combined government and private sector market to which all commercial manufacturers have access.

Later this year, we will increase our employment at Pleasanton to a maximum of 70 inmates who we estimate will be able to produce about \$1,200,000 annually in gross sales of draperies. This would be only 7% or 8% of the government market. Any impact resulting from this share will be offset by our return of approximately 50% of our drapery income to the private sector, since not only do we purchase materials from the private sector, we contract private sector services such as measurement, installation and hardware.

Our marketing strategy for draperies will be to avoid concentration on federal agencies in any one small geographical area. We will do this because by-and-large the multitude of commercial suppliers, many of whom we do recognize as small and disadvantaged businesses, serve markets in close proximity to their own locations. Pleasanton is the only location at which draperies will be manufactured. The Corporation has no plans to establish a manufacturing operation on the east coast.

Federal Prison Industries has a statutory obligation to provide work and training for federal inmates. In so doing, we attempt to diversify our industries to the maximum extent feasible. Virtually every product or service which we provide has its own constituency in the private sector. We believe our plan for additional drapery manufacture is a fair balance between our needs and the well and properly vested interests of the private suppliers. It is not our purpose nor intent to adversely affect any single private enterprise now engaged in the manufacture of draperies.

If we can be of further assistance in this matter, please let us know.

Sincerely,



APPENDIX I (L)(1)

*Association of Federal Drapery Contractors, Inc.*

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2510 RIVA ROAD / SUITE 111 / ANNAPOLIS, MARYLAND 21401 / 301-224-3400

June 4, 1984

Office of Chief Counsel for Advocacy  
U.S. Small Business Administration  
1441 L Street, N.W.  
Washington, D.C. 20416

Attention: Jeffrey S. Giancola, Esquire

Dear Sir:

Thank you for your letter of April 30, 1984, in response to my earlier letter to the President concerning the threat of competition to the members of our association posed by Federal Prison Industries ("FPI"). FPI frequently uses the trade name, UNICOR. Your letter asks for a more detailed description of the nature and amount of competition from FPI activities currently being experienced by our members.

Our concern is not so much the competition currently being experienced as it is the competition which will be experienced if FPI is permitted to carry out its planned expansion in the custom drapery area. Our members feel that heading off an expansion in the planning stage is much more feasible than attempting to reverse an expansion which has already been implemented.

Because of the situation, we are not in a position to provide definitive information on the competition which concerns us. We feel, nevertheless, that our concerns are fully justified. The circumstances which give rise to our concerns are indicated in two letters I have written previously to officials of FPI. Rather than repeating the information, I simply am enclosing copies of these two letters.

There are a few points which are particularly germane to your inquiry. First, despite FPI's good intentions, there is no way to insure that the business loss brought on by FPI's incursion will be spread equally through the industry. No mechanism exists or is even planned to achieve this result. Simply by dint of happenstance some of our members will hardly be affected, others will suffer a severe loss. For example, FPI has recently obtained a \$140,000 drapery order from the Air Force Academy.

FPI estimates the federal custom drapery market at from \$15,000,000 to \$18,000,000 annually. This works out to an average in the neighborhood of \$300,000 for each of our members. The Air Force Academy drapery procurement was lost by some individual company. For an average company, this represents something close to half of its government business. This is a far cry from the six to eight percent that FPI keeps harping on.

Second, FPI keeps insisting that the planned fourfold increase in its share of the market will be the end of any effort at expansion in this area. That is probably an honest intention, but I wonder whether it can be done. Does FPI have a record of sticking to its resolve not to expand further once a particular goal has been achieved? In this connection, it should be kept in mind that government activities are required by law to give FPI preference as a supply source over private contractors.

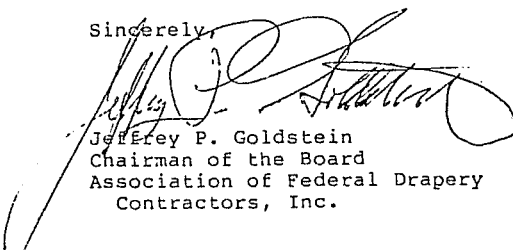
To our knowledge - which is quite limited - FPI has not established a record of sticking to its plans. We know for example that as recently as this past February, FPI's facility in Danbury, Connecticut bought about \$117,000 of sewing equipment. We understood this equipment was to be used in the manufacture of gloves. In May we learned FPI was going to drop the glove line. First we heard the equipment would be used instead to produce mail sacks and then undershirts. Given that degree of volatility, can we have any assurance that the equipment will not later be used to manufacture custom draperies? Certainly the equipment and, presumably, people trained to use the equipment, will be available.

In summary, aside from the Air Force Academy case, we cannot point to a drastic incursion on our market which has already

occurred. However, the plans are in place for such an incursion and they are being implemented. We have just learned that FPI has issued a series of sample books on its custom drapery line. This is bound to expand FPI's share of the market. The FPI efforts described will drastically affect many of our members and their employees. We need help now before the plans are implemented. Most of our members are not so strong financially that they can remain viable for very long after the threat has been realized. If we are to have effective help, it must be to prevent the incursion, not to undo it.

Our membership will genuinely appreciate any help you can provide in this matter. May we hear from you soon?

Sincerely,



Jeffrey P. Goldstein  
Chairman of the Board  
Association of Federal Drapery  
Contractors, Inc.

Enclosures

cc: Mr. Norman A. Carlson

APPENDIX I (L)(2)

*Association of Federal Drapery Contractors, Inc.*

2510 RIVA ROAD / SUITE 111 / ANNAPOLIS, MARYLAND 21401 / 301-224-3400

May 15, 1984

Mr. Norman A. Carlson, Director  
Federal Prison Industries  
U.S. Department of Justice  
Washington, D.C. 20534

Dear Mr. Carlson:

On behalf of the members of the Association of Federal Drapery Contractors, Inc. ("AFDC"), I wish to thank you for your letter of April 26, 1984, in response to expressions of concern about possible expansion of Federal Prison Industries' ("FPI") efforts in the custom drapery area.

We understand that FPI intends to enlarge its present drapery facility at Pleasanton, California. The facility, which now employs 17 inmates in the manufacture of drapes, will employ some 70 inmates. As a result, total drapery sales are programmed to grow from some \$318,000 in fiscal year 1983 to some \$1,200,000 annually. Proposed expansion of drapery manufacturing effort in other parts of the country have now been dropped; draperies will not be produced in any FPI facility other than Pleasanton.

As Chairman of the Board of Directors of AFDC, an organization of some 50 small companies, I am gratified that the

proposal to expand FPI production of custom draperies into other areas of the country has been withdrawn. AFDC, however, cannot accept your assurances that the expansion at Pleasanton will not represent undue competition to our members, threatening the livelihood of their employees. As indicated by their many representations to you and to members of Congress, our membership is greatly concerned over the adverse effects to their businesses that your planned expansion represents.

You first characterize your planned expansion into the federal market as "modest". Expansion of your shop operations from 17 to some 70 operators represents a more than four-fold increase. There is nothing "modest" about an increase of such proportions. You should also recognize that a 70 operator-shop is a giant. Not one of our members employs anything approaching that many operators, even when the inefficiencies inherent in your operation are taken into account.

Several FPI officials have assured us that there will not be any expansion beyond the 70 operators. While that may be FPI's present intention, AFDC seriously questions whether that intention will be adhered to if the present venture is successful. Customer demand may well determine what happens in the future. FPI already has demonstrated a great deal of flexibility in its plans. We understand, for example, that a decision has been made to abandon glove manufacturing at Dan-

bury despite the recent purchase of over \$115,000 worth of sewing machinery (contract awarded February 28, 1984) for that installation. The decision was made notwithstanding that the Federal Supply Service has indicated a continuing demand for the gloves and we are not aware of any industry opposition to your continued production. Much of this new equipment, as well as that already in-place at Danbury, can be used in the production of draperies.

Congress has by law specifically recognized the desirability of providing useful employment to federal prison inmates by establishing a preference in the Federal Government market for the products of such labor. At the same time, Congress cautioned against imposing an undue burden of competition on any "single private industry". It also directed that competition with private industry and free labor be reduced to a minimum. 18 U.S.C. §4122(b).

In using the term single private industry, the Congress manifestly intended to be quite specific. We note, in this connection, that your letter refers both to the federal market and to the combined government and private sector market. We do not believe it is appropriate, in assessing the burden on any single private industry, to combine the government and private sector market. While all of our members do both government and commercial work, few totally commercial operations are equipped to participate in the government market. This requires a knowledge

of the unique procedures which have to be followed and limitations, such as in the Buy American Act, which have to be observed. The vast majority of custom drapers are not interested in adherence to all of the rules which government contractors must know and understand. It is not unreasonable, therefore, to regard government drapery production as a single private industry on which no undue competitive burden is to be placed. That industry will be unduly burdened by the four to five-fold increase in FPI drapery activities even if there is no further expansion beyond what is planned presently.

Your letter contains a recognition of the legitimacy of this concern. The penultimate substantive paragraph promises a marketing strategy which will avoid concentration on federal agencies in any one small geographical area. The obvious intention is to attempt to even out FPI's effect on the market. This is an admirable intention, but we do not believe there is any way in which orders can be so controlled. At a recent meeting with members of your staff, our suggestion that your penetration into the market be controlled by state was rejected immediately as impractical.

The realities of the situation are that federal procurement officials are directed to purchase supplies listed on your Schedule of Products so long as prices do not exceed current market prices. FAR 8.602(a). Draperies presently are listed on your



Schedule. Subject to the current market price limitation, therefore, procurement officials must give FPI first preference. FPI is free to reject the order, of course, but we question seriously whether FPI can control order acceptance in such manner as to achieve the market strategy of evening out its market penetration. It is a laudable goal but not practical. As a result, it is almost inevitable that some of our members will suffer severely from the competition from FPI. They will have to close down and lay off their employees.

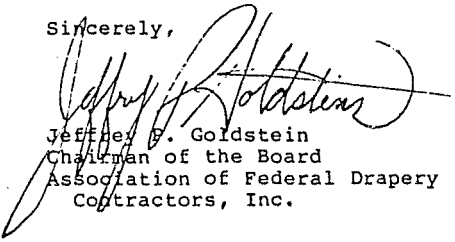
There is one other serious consideration in this situation. The nature of the custom drapery business is such as to make it among the least desirable from the standpoint of providing useful employment to federal prisoners in terms of overall effort expended. Our members estimate that the value of the shop effort performed by the prisoners represents only about ten percent of the total price. In other words, FPI must do \$100 of business in order to provide \$10 of employment to federal prisoners. We believe that fully half of the expenditure represents the outside work of customer service, measuring, hardware and installing which must be done by people other than prisoners. This is in contrast to other products FPI is scheduled to produce, such as computer furniture, eyeglasses and bar code labels, which require only materials and prison labor. We believe it would be more useful

for your own program to produce items which do not entail substantial outside work.

Your letter recognizes the need for you to contract with the private sector for measurement, installation and hardware. Your representatives have assured us that the private contractors employed to do this work will be selected on a competitive basis. Even if it is assumed that FPI will follow the myriad rules applicable to federal procurement, we believe FPI should not be placed in the position of handling procurements for the Government. Authority for general purpose procurements is vested in the General Services Administration. It is not proper to have that function performed by a corporation such as FPI.

Frankly, the members of AFDC are not satisfied by the explanation in your letter. We feel very strongly that the custom drapery business is ill-suited to carrying out FPI's Congressionally mandated purposes. We also feel that the present planned expansion at Pleasanton, contrary to law, imposes an undue burden on our industry and on our employees. Given the approach in your letter, we see no real alternative to continuing our campaign on an even more intensive basis.

Sincerely,



Jeffrey P. Goldstein  
Chairman of the Board  
Association of Federal Drapery  
Contractors, Inc.

## APPENDIX I (L)(3)

*Association of Federal Drapery Contractors, Inc.*

2510 RIVA ROAD / SUITE 111 / ANNAPOLIS, MARYLAND 21401 / 301-224-3400

April 27, 1984

Mr. Paul T. Shirley  
Coast Counties Medical, Inc.  
116 Hubbard Street  
P.O. Drawer 1003  
Santa Cruz, California 95061

Dear Mr. Shirley:

As president of the Association of Federal Drapery Contractors, Inc. ("AFDC"), I urgently request your consideration of a matter which seriously threatens the existence of every AFDC member. This letter is addressed to you in your capacity as industry representative on the Board of Directors of Federal Prison Industries, Inc. ("UNICOR").

AFDC is an organization of approximately 50 companies, all small businesses, which sell custom-made draperies and related items such as drapery hardware and bedspreads, to federal entities. In every case, the portion of the company's receipts represented by sales in the Federal Government market is substantial. A significant reduction in that market could threaten the survival of each of these companies.

For some years, Federal entities have been buying custom-made draperies and related items from a Federal Supply Service Multiple Award Schedule limited to small businesses. Contractors

compete against each other, thus assuring fair and reasonable prices to the Government.

UNICOR officials have acknowledged an intention to make a substantial and aggressive extension into the AFDC market. UNICOR has had a relatively small-scale facility in California producing draperies. Its share of the Federal Government market has been limited and has not generated a great deal of concern in the industry. Now, however, UNICOR has before it a marketing plan which calls for (1) substantially increasing production capacity by enlarging the present facility and establishing a new one in the East; (2) establishing a nationwide network of agents to develop and service Federal Government accounts; (3) providing for the professional development of a swatch book to aid in merchandising and sales. There are indications, such as seminars around the country for Federal procurement personnel, that sales opportunities are being pursued with a great deal of vigor even before the plan is formally adopted.

UNICOR has certain obvious advantages in competing with industry. It need not pay wages comparable to those which must be paid by its competitors; its overhead rates may be set at an artificially low level to justify prices insufficient to recover all costs; it is not subject to the wide array of taxes which must be paid by the ordinary business person.

In order to provide employment for physically fit prisoners, Congress, by statute, has authorized UNICOR to carry on industrial operations in Federal penal and correctional institutions for the production of commodities for sale to agencies of the United States. 18 U.S.C. §4122. Those agencies are required to purchase from UNICOR available products meeting their needs. 18 U.S.C. §4124. Few limits are imposed on the right of UNICOR to produce items or on agency obligations to purchase. The goods must be sold at not to exceed current market prices. As already noted, UNICOR has advantages in the pricing area not available to its competition. In addition, so far as is practicable, no single private industry is to bear an undue burden of competition from UNICOR and competition with private industry or free labor is to be reduced to a minimum.

The Federal market for draperies and allied goods is not large. Approximately 50 businesses are already competing for that market. All 50 of these businesses are small, in almost every instance substantially smaller than necessary to come within the definition established by the U.S. Small Business Administration. While none of these businesses is completely dependent on the Federal market, many could not survive without that portion of business represented by the Federal market. Many would be forced out of business. Their employees would lose

their jobs. The local tax base would be eroded. This is the kind of situation the Congress was trying to protect against in the statutory provision concerning undue burden on a single private industry and minimizing competition with private industry or free labor.

Officials of UNICOR, in informal discussions with representatives of AFDC, have tended to play down the possible extent to which UNICOR plans may affect the Federal market available to AFDC members. These officials have indicated that UNICOR plans to expand its share of the market only from approximately 1 1/2 percent to 7 or 8 percent. It seems to be the contention that this increased share would still be modest.

There are some basic deficiencies in this logic. First of all, something approaching a five-fold increase in the market share hardly can be described as modest. Such an increase is going to have to come at the expense of AFDC members. It is not reasonable to assume that each member will suffer a proportionate share. It is much more likely that some AFDC members will suffer a disproportionate loss of orders, perhaps sufficient to force them out of business, with a consequent loss of jobs to their employees. I would like to point out that the sewing and cutting jobs frequently are performed by people who would have difficulty finding other gainful employment. It is much

more likely that they would end up on the welfare roles - at the expense of all of us taxpayers.

Second, even if it is assumed - and we think such an assumption is not warranted - that 7 or 8 percent is still a modest share of the market, is it reasonable to expect that UNICOR, having achieved an almost five-fold increase in its share of the market in one year, will then put a cap on any efforts to continue expansion? It seems much more likely that if an expansion of such proportions - or even of lesser proportions - is achieved, momentum, if not plan, will keep the ball rolling. No reasonable business person would clamp the lid on further expansion after having succeeded in such an effort. We do not think that UNICOR officials are so different from the rest of us. They can be expected to react the same way.

Even if UNICOR attempted to prevent further expansion, it is doubtful that such an effort could succeed. The law imposes upon Federal procurement officers the obligation to look first to UNICOR to satisfy their requirements. The basic procurement legislation, known as the Federal Acquisition Regulation ("FAR"), which is the buying bible for procurement officials, states at FPR 8.602(a):

Agencies shall purchase required supplies  
of the classes listed in the Schedule of  
Products made in Federal Penal and Correctional

Institutions (referred to in this subpart as "the Schedule") at prices not to exceed current market prices, using the procedures in this subpart.

[Emphasis added.]

Thus, agencies are required to give first preference to UNICOR in making purchases. It is disingenuous to suggest that procurement officials may not honor this requirement because there is no mechanism for enforcement. It is also an unwarranted assault on their integrity. There is absolutely no basis for believing that the vast majority of procurement officials will do anything other than comply with the regulation.

The result may be a reduction in purchases from the present Federal Supply Schedule for custom draperies. If the reduction is substantial enough, the General Services Administration could decide to discontinue the Schedule. This would make it infinitely more difficult for AFDC to make sales to Federal agencies even where UNICOR is not able to satisfy fully the agency's requirement.

The fact is that the present marketing plan, even if not fully implemented, represents a substantial threat to the firms making up AFDC and to their employees. Our membership is rightly concerned as demonstrated by their letters and calls to the White House and to their Senators and Representatives. That concern is real and it is legitimate.



Congress has mandated that UNICOR have the opportunity to produce supplies utilizing the services of federal prisoners and that Federal agencies give preference to these supplies in their purchases. AFDC does not challenge the program or its efficacy. It does earnestly suggest, however, that it would be far better to employ the prisoners in the production of other kinds of products. Custom draperies are the wrong product because this effort, in fact, does impose an undue burden on a single private industry. This is both unfair and contrary to the express intent of Congress.

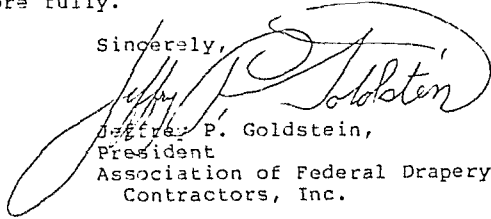
In addition, while the prisoners may be able to cut and sew the material into draperies, they cannot be used for a substantial part of the work -- measuring the walls, windows and doors to be draped in order to establish the drapery dimensions and then installing the draperies. Therefore, a major part of the work cannot be performed by the prisoners. Instead, outside firms or services must be employed to do that part of the work. This may be contrasted with other work, such as the production of safety shoes, which can be performed completely with prison labor within prison walls. We do not believe that Congress contemplated that UNICOR would become involved in business which, while employing the services of Federal prisoners, also requires the use of a substantial number of outside employees.

This is not simply an opportunity to train and use Federal prisoners in gainful employment. It requires that UNICOR get involved in business arrangements with outside firms to do a substantial amount of the work. We do not believe Congress intended to promote the establishment of such arrangements which forces UNICOR to select from among private contractors for a role which gives the successful contractor an overwhelming advantage over its competitors. We think the legislation was intended only to put Federal prisoners to work.

UNICOR's efforts at expanding its drapery market contravene Congressional intent as expressed in statute. UNICOR should be required to direct its efforts away from this area to some other area.

The AFDC Executive Committee would be pleased to meet with you and any other persons you may care to designate to discuss the issues more fully.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read 'Jeffrey P. Goldstein', is written over the typed name and title.

Jeffrey P. Goldstein,  
President  
Association of Federal Drapery  
Contractors, Inc.

## APPENDIX I (M)

Cooperative League  
of the USARepresenting America's Cooperative Business Community

June 5, 1984

Ms. Linda Reivitz  
Secretary  
Department of Health & Social Services  
Of Wisconsin  
1 West Wilson  
Madison, WI 53703

Dear Linda:

As someone who has been interested in corrections for a lot longer than cooperatives, I am compelled to write and add my hearty amen to Rod Nilsestuen's letter of May 22, 1984.

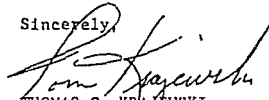
I recall learning some time ago that there is a high correlation between criminal behavior and low or negative concept of self-worth. At the same time, there are few things in our society which are as tied up with your self-image as your job or position. The question "Who are you?" is most often answered with a job title. In 1984 people without "position" lack a definition. No job means you are nobody. And if society thinks you have little worth, what kind of a self-image are you likely to have?

On the other hand, individuals who hold a job, and own it, and control it are likely to have a much higher self-esteem. One can be given a job, or earn a job, or truly own a job. Worker cooperatives if organized correctly, can enable people to create jobs and own them and control them. A worker cooperative in a correctional institution can provide needed skills, but it can also be the means by which residents lift themselves up by their own bootstraps.

Surely it would not be easy and there would be much opposition to allowing inmates more control over their lives. But we have known for a long time correction and rehabilitation would not be easy. And as you well know, we can't lock them up and expect them to walk out model citizens after two or twenty years. A worker cooperative for those inmates who want it and are ready for it would provide a great transition to the greater responsibilities outside the walls. I urge you to consider the significant dividends this concept can provide.

I, too, would be pleased to discuss it further with you at your convenience.

Sincerely,

  
THOMAS G. KRASEWSKI  
Vice President for  
Agricultural Cooperatives

cc: Congressman Bob Kastenmaier  
Rod Nilsestuen  
Julie Kerksick  
Harold Berger



30 West Millin Street  
Madison, Wisconsin 53703

Telephone: (608) 259-4400

Rod Nilsestuen  
Executive Secretary

May 22, 1984

Linda Reivitz  
Secretary  
Dept. of Health & Social Services  
Of Wisconsin  
1 West Wilson  
Madison, WI 53703

Dear Linda:

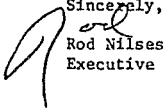
Given the many problems and challenges you face in administration of the state's prison system, I thought you might find the copy of the enclosed article on "Factories Within Fences" from the most recent issue of the Wingspread Journal to be of interest. I am sure you are familiar with the questions of inmate unemployment and the many obvious benefits that gainful and productive employment can have for inmates.

It was not for this reason that I am forwarding this note, rather it is to suggest consideration of one basic idea to the above. That is, the use or modified use, of the concept of a worker co-op in the prison setting. As you may or may not be aware, worker co-ops, which the laborers or workers in a plant, industry or business own, operate and manage the institution, is a phenomena which flourishes in a number of parts of the world. Most recently it has received considerable attention in this country, most notably in the midwestern smokestack belt.

I believe that many of the basic values and advantages that a worker co-op provides: greater identification with one's work; more control over the work place; a democratic method of operating in the economic system; greater quality and better workmanship; and a tangible stake in the enterprise and it's future; are applicable, to a prison setting. If the Department is contemplating expansion of work opportunities within the prison system, I would be happy to discuss this idea with you in greater detail. I believe that is one that could yield substantial benefits both to Wisconsin inmate population and to the State of Wisconsin and it's penal administrators as well.

Hope all is well with you and that you're not letting that bearcat of a job totally devour you. Would enjoy the chance to have lunch with you sometime soon. Let me hear if this "non-mainstream idea" interests you.

Sincerely,

  
Rod Nilsestuen  
Executive Secretary

RN:tmr

Enc.

cc: Tom Lyon, Carol Toussaint, Tom Krajewski, Louis Fortes, Dennis Boyer, David Newby

# Factories Within Fences

The full title of this Wingspread conference was "Factories Within Fences: Correctional Practices in the United States." It was convened in January by the Brookings Institution and The Johnson Foundation, and it featured an address by Chief Justice Warren Burger.

The conference's purpose was to enhance the effectiveness of our federal and state prisons by encouraging the development of prison industries and accompanying literacy and job training programs. Conference speakers and participants included nationally recognized authorities and leaders in the field of adult corrections, business, labor, and government.

Following is a report on the conference prepared by Kenneth W. Starr, Circuit Judge in the United States Court of Appeals, Washington, D.C.

by Kenneth W. Starr

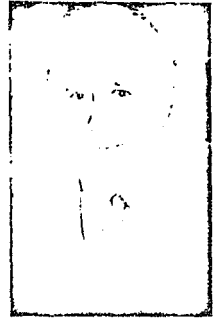
William Norris is no modern day utopian. Yet the head of Control Data Corporation firmly believes that modern day prison practices can dramatically be improved through one fundamental change. And the experts in corrections policy uniformly agree that he is entirely correct. His idea is simple — prisoners should have productive, gainful work while inside the prison walls.

It is widely acknowledged that America's prisons are bursting at the seams. Almost 450,000 individuals are now incarcerated, and the number is increasing each year. In 1982 alone, the Nation's prison population increased by more than 12 percent. Many inmates are confined under conditions that are being challenged in courthouses across the Nation as inhumane and uncivilized. More than 30 states are under court orders to improve prison conditions. Debates and lawsuits over prisons in America are perhaps forever with us, but the debate has largely overlooked the principle that prisoners should work — an idea both cost effective and compatible with basic American values.

The rate of non-employment in the Nation's prisons has been hovering at a shocking 90 percent for the better part of this century. This high degree of idleness, now coupled with crowded conditions where frequently three or four inmates share a cell originally built for one, is a sure-fire formula for trouble. The eruption at Attica in the famous prison riot of the early 70's and similar episodes much more recently, such as



William Norris, president,  
Control Data Corporation



Chief Justice Warren  
Burger, United States  
Supreme Court

in New Mexico, dramatically attest to the dangers of crowded idleness.

## Not a New Idea

Idleness in American prisons has not always been the rule of thumb. To the contrary, in the early part of this century and before, virtually every inmate in the country had a job within prison walls. Jails and prisons were "factories with fences." To be sure, abuses occurred in this system which must never be repeated. But over the past 80 years, not only have the abuses largely disappeared, but employment opportunities themselves in prisons have declined so dramatically that now only rarely is an inmate given the opportunity to work. The reason for this is principally restrictive legislation passed over the years by Congress and most state legislatures, based upon the understandable concern over eliminating unfair conditions of competition.

This state of affairs now makes little sense. Businessmen like Bill Norris have proved that many inmates are ready, willing, and able to work, and are doing so under fair, humane conditions.

At Minnesota's maximum security prison at Stillwater inmates are assembling computer peripheral equipment for Control Data Corporation in an innovative and pioneering program. And the inmates are producing this sophisticated equipment at higher

continued on page 7

## Factories Within Fences continued from page 1

rates of output and with the same quality as Control Data facilities outside prison walls. In Kansas, inmates are leaving prison during business hours to work, under supervision and with sensible security measures, in light manufacturing operations. They are paying the costs of transportation and maintenance out of their wages earned on the job.

In the federal system, in-prison industries now supply goods to the federal government to the tune of over \$150 million a year. Those revenues resulted in profit last year of \$25 million\*, most of which were ploughed back to modernize plant and equipment. And \$5 million of those profits were channeled into improving education programs in the 43 federal prisons across the country. This was all done without the appropriation of a single tax dollar.

### Hope for the Future

Jobs in prison mean not only the elimination of idleness but that inmates can help support their families. Some states wisely require working prisoners to help pay their room and board.

A job in prison may well mean hope for the future when the inmate leaves the prison gate. Recidivism rates in the United States are now estimated at a staggering 70 percent. While jobs in prisons will never end recidivism, experiences in such states as Minnesota and Arizona suggest that at least some individuals who were leading a life of crime can become law-abiding, productive citizens. One program in Washington has resulted in the placement of 650 ex-convicts in jobs, with a recidivism rate of less than ten percent.

**Toward A National Jobs Policy**

### Prisons are Expensive Institutions

But whether industrializing the Nation's prison yards will eventually help lower crime or not, the bedrock fact remains that our prisons have become dangerous places not just for the prisoners but for the corrections staffs. And prisons have become extraordinarily expensive institutions to build and maintain. A new prison now costs between \$50,000 and \$80,000 per inmate in construction costs. Maintaining the prison once it is built now requires taxpayers to pay between \$10,000 and \$25,000 per prisoner per year. Jobs inside the prison can help reduce these costs, while curbing the extent of violence that befalls the contemporary prison atmosphere.

Prison industries ought to have a bright future in this country. In light of successes at both the federal and state levels, the failure to put prisoners back to work in gainful tasks can bespeak only a failure of leadership. Calls for getting prisoners off the behind-bars unemployment rolls have been persuasively and

persistently made by Chief Justice Burger, most recently at a Wingspread conference in late January. Specific blueprints for the future of prison industries are being prepared in advance of a major conference on the subject to be held this summer at George Washington University led by the Chief Justice. But more — much more — needs to be done, including sensible legislative reforms to eliminate archaic protectionist barriers. Senators Percy and Dole, and Congressmen Kastenmeier of Wisconsin and McCollum of Florida, have already been working to move Congress toward permitting greater job opportunities in prison.

For those troubled by the conditions prevailing in today's prisons, or for those convinced that prisons have become country clubs, the simple idea of putting American inmates back to work, with contributions to their own upkeep, their families' support, and for restitution to the forgotten victims of crime, makes enormous practical sense. The time for a renaissance of a sound idea from the past, updated with appropriate safeguards, has plainly come. —

## P.S. Don't Forget Equity

Having come through a period of national scrutiny of America's educational system, with dozens of studies examining nearly all phases of schools and schooling, the country is now entering a period of implementation. Schools have been charged with multiple directives: to get back to basics, to reform curriculum, to increase test scores, to demand competency at new levels. The studies map out the task in great detail; the implementation must now take place in 16,000 schools across the country.

In the rush to rescue this "nation at risk" from the

The champions of such students are made nervous by the rhetoric put forth when education leaders gather to discuss agendas for educational reform — agendas that center on "more" — more rigor, more tests, more required courses — and who conclude their presentations with a sentence — almost a postscript — suggesting that equity and access should be preserved.

Recent Wingspread conferences have addressed this area of concern. The National Coalition of Advocates for Students (NCAS), a coalition of organizations dedicated to insuring that the current national educational reform movement takes into

## APPENDIX I (N)

2150 Laura Street, Space No. 94  
Springfield, Oregon 97477  
June 20, 1984

Congressman Jim Weaver  
211 E. 7th  
Eugene, Or. 97401

JUN 21 1984

Dear Sir:

I am writing to you in regard to PRISON EMPLOYMENT, an idea that is rapidly growing in popularity around the country. Chief Justice Warren Burger has been one of the strongest advocates of employment of prisoners, and just last evening (June 19, 1984) the Chief Justice appeared on ABC's Nightline, along with prisoners who are in the prison system now, an employer who uses prison labor, and a representative from the AFL-CIO. There was no disagreement among the people on the program that prison employment is good for the prisoners, but concern was voiced about how prison industries would affect the outside community. I would like to comment on this. Let me say that I totally support the concept of prison employment. I see many advantages and few disadvantages. I would like to discuss these issues briefly.

Prisoners interviewed on the program gave their whole-hearted support to the concept of prison employment. Every prisoner testified to the increased self-respect that they, personally, gained as a result of working. Work is healthy for the individual, the families and the society. Self-respect, after all, is something greatly lacking in prison inmates. They have committed a crime of some consequence, or else they wouldn't be in the prisons. They are being punished by being locked up, away from families and loved ones. But the idleness of incarceration, combined with the close contact of other criminals, breeds nothing but anti-social activities and attitudes. The only thing prisoners learn in "warehouse" type prisons is how to survive in a corrupt and cruel environment, and how to become better criminals when they are released. There is little or no rehabilitation.

But by working at jobs, by earning money, by paying taxes, and by paying for the cost of their incarceration, prisoners learn that the pride and self-respect that comes from meaningful employment far outweighs the thrill of criminal activity. Most of these men and women have not known the fulfillment that comes from working at a job, from seeing the fruits of your labor, from getting a paycheck that is yours, earned through honest means.

They also learn the consequence of their actions by seeing money that they earn go to pay for the cost (or at least part of the cost) of their incarceration. Victim assistance becomes possible at last. Quite simply, prisoners who work while in prison learn about the Work Ethic, a concept quite foreign to most of them.

And when released, prisoners who have worked while incarcerated have an opportunity to get a job on the outside, because they have learned a marketable skill, such as carpentry, welding, and so on. The chance of returning to prison is greatly reduced. And so, of course, the cost and the danger to society is reduced in direct proportion to the decreased recivism.

This is not a threat to society, but rather a promise of reduced taxes to support the prison system, a reduced threat of continued criminal activity when prisoners are released, and a reduced threat of violence and perversion in the prison system itself. Society cannot help but benefit from prison employment.

There are two major fears that keep the general public from embracing the concept of prison employment. One - the security of the population, and two - the threat of unfair competition with outside industries and the working men and women in the country. Both of these fears can be dealt with by educating the public to accept the idea that the disadvantages can be dealt with, by various means.

Let me address fear number one - the security of the population. Prison industries often operate inside the prisons themselves. There is, of course, no great danger to the public when the prisoners are working behind the bars of the prison. But some private companies that use prison labor are not inside the prison walls. In these cases, prisoners are transported by bus, under heavy guard, to the work sites. I would recommend that industries employing prisoners be required to fence and guard the worksite, or to pay for the cost for the state to perform these services. Generally, only those prisoners who have exhibited excellent conduct in the prison are allowed to work outside of the prison gates. I am sure that security problems could be easily dealt with, but it is important that the general population be educated to this fact, so that they can begin to accept the many advantages of prison employment.



Concern number two is the main issue being discussed - the fear of prison employment and prison industries adversely affecting private enterprise and the jobs of working men and women on the outside. This could be a huge problem unless properly addressed. If prison employees were paid low wages and the companies employing prisoners were able to under-bid private employers, then there would be a very great impact on the workforce. But this is a fear, not a reality. And there are many alternatives to low-wage "slave" labor.

There is in the United States a law called the Davis-Bacon Act, which requires prevailing wages to be paid inside a community. This protects the workers in the community from unfair competition from outside, keeping jobs and tax money inside the area. The Davis-Bacon Act is an important regulation, and should be upheld.

Prison employment should also be subject to the Davis-Bacon Act. But I would like to propose a "twist" that would be advantageous to the general population. Let's use an example. Say that prisoners earn minimum wage at their jobs, which is currently \$3.35 per hour. Say that the prevailing wage for that job on the outside is \$8.35 per hour. The employer would pay the prisoner minimum wage rates, which would be subject to taxes, and the difference between prevailing wages and minimum wages would be paid by the employer to the state, going directly into the cost of maintaining the prisons. This would have such a great impact on the taxes of the workers outside of the prison that it is difficult to imagine the savings. The cost of a prison cell is approximately \$200 a week (or more). If a prison employee worked forty hours a week, and a portion of his wages went directly to the cost of his incarceration (an average of \$5.00 per hour for 40 hours' work), then he would be contributing the \$200 per week that it costs the state to keep him in prison. There are, of course, many variations on this theme. I do not believe that prisons will ever make a profit. At the best, they might be able to break even. But in any instance, the money earned by the prisoner that would be paid into the system would greatly reduce the tax burden on the private citizen.

This cost of maintaining prisons threatens to bankrupt our society. Yet we have no alternative to prisons. Convicted criminals must be locked up. How do we pay for the housing and feeding of these people? Through taxes. There is no other way. At the present time. But this could change with prison employment.

Not all prison industries are owned and operated by private companies. Sometimes the state owns the companies. How do we keep the state from under-bidding private employers who use the traditional workforce? The answer there is relatively simple, also. State-owned companies must charge the prevailing average price for their products and/or services. Then there is no unfair competition with outside employers, and the difference between the minimum wages paid to the prisoners and the price of the goods or services when sold would be used to reduce the cost of incarceration upon the taxpayers.

I hope that you will take the time to investigate my comments, and to talk to others in your constituency about the concept of prison employment. Reducing the tax burden is a primary concern of Americans. We simply cannot afford to continue paying the taxes we are faced with. If prison industries could reduce that tax burden, it would certainly be worthwhile. But there are so many additional advantages to the concept of prison employment. To think that a convict, upon release from prison, could use the marketable skills he learned in prison to earn honest wages on the outside is highly commendable. Rehabilitation means that someone leaving the prison should be a better person than they were when they entered the prison. Finally, there is a chance of real rehabilitation through prison employment. Gaining self-respect and taking pride in themselves, ex-convicts would become contributors to society instead of drains on society. Prison violence would be reduced through work. The old saying, "Idleness breeds evilness", is very true. That would result in another cost savings, through decreased need for extra guards to keep prison violence at a minimum. Security would be a minor problem to solve. Public education is required to minimize the fears that keep us from accepting the idea of prisoners working. Punishment is still a factor in prisons who have prison industries, but rehabilitation becomes the primary factor. And after all, isn't that what we all want? For prisoners to emerge from prisons with their lessons learned, to go back into society as crime-free individuals. Not as hardened criminals who have learned how to be a better criminal.

I cannot summarize all of the pros of prison employment in this letter, but I encourage you to conduct your own investigation of this issue. I think that you, also, will see the many advantages of prison employment. It is a very real alternative to the present system, which is stagnant.

Thank you for your time in reading this letter. I would be glad to discuss this further if you would like to contact me. As a side note, I am employed by a labor union, and I have given much thought to the effect on the outside workforce of prison employment. I can see that with planning, flexibility and leadership, the primary objections could be overcome. You are given the leadership through your election, and you have the resources to develop an effective, workable plan to implement prison employment. If we started today, we would begin to see the benefits within two years, and within ten years, prisons could be practically self-supporting. Isn't that a nice idea?

Very truly yours,

A handwritten signature in cursive script, reading "Phyllis Adella Reynolds". The signature is written in dark ink and is positioned above the typed name and address.

Phyllis Adella Reynolds  
2150 Laura Street, Space No. 94  
Springfield, Oregon 97477

## APPENDIX I (O)

June 29, 1984

Mr. John Zalusky, Economist  
Economics Department  
Room 504  
815 16th Street, N. W.  
Washington, D.C. 20006

Dear Mr. Zalusky:

From your comments during the recent prison industries conference at George Washington University ("Factories within fences") as well as the following television special on "Nightline", it seems obvious that you and the AFL/CIO continue to have concerns about the payment of "prevailing wages" under our pilot program. Although related information has been presented to the AFL/CIO previously, I thought that an update might be useful.

At present there are four operating projects: two at Stillwater in Minnesota, and one each in Kansas and Utah. I can assure you that we have made extensive efforts to secure and review the appropriate wage schedules for each project. Each project is monitored on a quarterly basis, and the wage levels are reviewed on an annual basis.

I requested Barbara Auerbach of our technical assistance grant to prepare the attached materials concerning the review of each of the appropriate project wage plans. As an economist you are well aware of the revolutionary changes required to operate prison industries with prevailing wage rates and private sector work standards. You will note that each of the prison industries is located in a rural area, and that the wage levels are related to those areas. One could arbitrarily widen those wage areas to include the nearest metropolitan city and maybe find some discrepancies with current wage levels. Our purpose, however, is to be fair with the prison industry officials and entrepreneurs involved as well as with competing firms, not to put the remaining pilot projects out of business because of unrealistic wage demands.

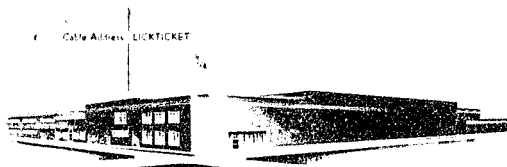
I know that the AFL/CIO is also sympathetic to the overall legislative purposes of the prison industries pilot program. Please let me know if we can be of any further assistance.

Sincerely,

Nicholas L. Demos  
Program Manager, PMD/OPM

Attachment

## APPENDIX I (P)



501.783.4113

**Weldon, Williams & Lick, Inc.**

P.O. Box 168 • FORT SMITH, ARKANSAS, U.S.A. • 72902-0168

July 2, 1984

RECEIVED

1984

TICKETS  
FOR SPORTS, THEATRICAL,  
AND ENTERTAINMENT EVENTS

Congressman Peter W. Rodino  
2462 Rayburn Building  
Washington, DC 20515

Dear Congressman Rodin:

As you know Chief Justice Warren Burger has been strongly recommending a system of prison factories in an effort to come up with a workable rehabilitation program and we would like to take a moment to briefly give you our views on the subject since our business would be seriously impacted by such a program.

We have read that the Chief Justice's speech given June 11, 1983 at Tate University and although we are completely in agreement with him as to the need for a better system of prison reform we cannot subscribe to the particular method he is proposing.

In the first place there can be no such thing as a prison industry competing with a private sector on an equal footing. The sink or swim environment will never be present in a prison industry and because of that, it will not be required to operate under the pressures to which a private business is subjected.

To make such a program work, a prison shop must secure enough orders in the open marketplace to keep the prescribed number of inmates busy. This means it will have to lower its prices to whatever level is necessary to get the business and it will be able to do this without regard to operating costs or to the natural law of business which mandates at least a small margin of profit or risk bankruptcy.

With this in mind we see two errors in the Chief Justice's thinking on the subject. One is that for every prison factory job you create with a product that's sold in the marketplace you also create an unemployed person outside the prison walls. Morally, as well as economically this seems to be very wrong. The second error is strictly economic and it involves the loss of tax revenue that would be derived from the now unemployed worker who in addition to paying little or no taxes in an unemployed status would be a drain on government treasuries in the form of unemployment compensation, food stamps, etc.

continued

WITH THE LATEST IN THE DISCOVERY OF  
THE NEW WORLD OF THE 21ST CENTURY

W. A. E. WILSON  
 1982

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2004

CUPE 15 MET SYSTEM?

1. 11月 24日 - 11月 25日  
 11月 26日 - 11月 27日  
 11月 28日 - 11月 29日

CUSTOM NUMBERED  
FORMS 4-2-10-570

1. COMPUTER NUMBERED  
RESERVED SEAT TICKETS  
AND STAMPS

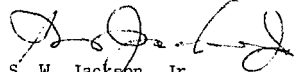
It would certainly be unfair for us to criticize without offering a workable alternative, so we are suggesting a system of Vo-Tech prison schools set up by each state's Vo-Tech system and Community College system, for the purpose of training inmates in useful skills. If after say, four or five years of a ten or fifteen year sentence the inmate had learned a salable skill, had a good behavior record, and could be located in a paying job on the outside, his case might be brought to the attention of the appropriate authorities so that his release could be obtained. This could be done possibly on a work release basis or in full measure as the situation warranted.

Also, another alternative would be to use the output of prison factories in our foreign aid program to be shipped to under developed and needy nations whose economic status does not permit them to buy goods from the United States.

Congressman, we know that the crime problem is of tremendous proportions in this country and we are in favor of trying to reduce its dimensions as much as possible but at the same time we hope that it won't be done with a program that will create other problems of a very serious nature in the lives of many working people in private industry.

Thank you very much for your attention. We hope that you will consider these suggestions when the House Judiciary Committee acts on this matter.

Sincerely,



S. W. Jackson, Jr.  
President

SWJ/bk

**APPENDIX I (Q)**

WRITTEN TESTIMONY

FOR

THE HOUSE JUDICIARY COMMITTEE

SUBMITTED BY:

CRIMINAL JUSTICE ASSOCIATES  
BOX 125  
LAFAYETTE HILL, PA 19444

(215) 828-8284

ON THE:

PRISON INDUSTRY ENHANCEMENT PROGRAM

JULY, 1984

### Background

The Prison Industry Enhancement Program (PIE) was authorized in December, 1979 by Section 827 of the Justice System Improvement Act (P.L. 96-157).

This bill established a federal certification program administered by The Office of Justice Assistance. The program provides a waiver for seven pilot project to two existing federal laws which prohibit the placement of prisoner made goods into interstate commerce and the sale of such goods to the federal government.

### Legal Requirements for Program Participation

The Office of Justice Assistance (O.J.A.) is charged with certifying and monitoring seven pilot correctional industry projects which must meet specific legal and programmatic requirements to insure that the certified prison industry competes fairly in the marketplace. Section 827 provides for the following conditions and protections:

#### Wages:

Prisoner-workers must be paid prevailing wages ("not less than that paid for work of a similar nature in the locality in which the work is performed.")

Federal minimum wage is considered a floor by O.J.A.

#### Consultations:

Prior to certification, the project must consult with affected labor union central bodies, and must avoid displacement of employed workers in areas having a surplus of available labor.

#### Working Conditions:

Prisoner-workers must volunteer for employment and the employer must provide "the normal benefits of the work place", including some form of worker's compensation.



Deductions:

Prisoner-workers in P.I.C. projects become taxpayers and responsible citizens because the bill provides for deductions from wages for:

- taxes
- victim compensation
- family support
- room and board

In addition to these federally mandated program requirements, certain state laws must be in place prior to certification. State legislation must (at least) allow the sale of prisoner-made goods on the open market within the state and the payment of prevailing wages.

Description of Certified Projects

In Kansas, Zephyr Products, Inc. employs 20 male and female prisoners from the Kansas Correctional Institution at Lansing. These workers are paid \$3.60 an hour to perform entry level tasks in the fabrication of a diversified line of light metal products.

In Minnesota, two projects are operated by Minnesota Correctional Industries (M.C.I.) at the state prison at Stillwater.

- Magnetic Peripherals, Inc. (a division of Control Data Corporation) contracts with M.C.I. for the assembly of computer disk drives and wire harnesses. One hundred and sixty (160) prisoners earn between \$3.40 an hour and \$4.00 per hour as mechanical assemblers.

- M.C.I. also employs 100 prisoners in the production of farm and road maintenance equipment. These heavy metal products are sold thru distributors in the upper Midwest. Workers earn from \$3.35 to \$4.55 an hour.

In Utah, Utah Correctional Industries (U.C.I.) employs 25 prisoners at the State Prison at Draper in the production of highway signs and printed material.

These goods are sold to private companies in the Northwest and 15 federal agencies. Workers earn \$3.35 to \$4.00 per hour.

In Arizona, Arcor, Inc. (Arizona Correctional Industries) received a certification for an association of small inmate operated businesses which produced handicrafts which were sold to wholesale and retail outlets. Because of the extremely limited nature of the interstate market for such goods, the certification was revoked by the O.J.A. and is currently vacant.

In Nevada, the Department of Prisons received two certifications. In both cases, the small businesses involved failed to operate effectively and eventually went out of business. Both of these certifications are in the process of revocation.

Program Benefits (As of June 30, 1984)

Since the Prison Industry Enhancement program began, the pilot projects have generated economic benefits to society, corrections departments, prisoners, and their families.

- PRODUCTS with gross sales values of over \$5 million have been produced.
- WAGES totalling \$1.8 million have been paid to prisoner workers.
- TAXES of \$170,000.00 have been returned to federal and state governments.
- ROOM AND BOARD payments by prisoners in all seven projects have totaled \$325,000.00.
- FAMILY SUPPORT payments voluntarily made by prisoners have totaled over \$400,000.00.

FOR ADDITIONAL INFORMATION CONTACT:

TECHNICAL ASSISTANCE CONTRACTOR: OR  
Barbara Auerbach or George Sexton  
Criminal Justice Associates  
Box 125  
Lafayette Hill, PA 19444  
(215) 828-8284

FEDERAL AGENCY RESPONSIBLE FOR PROJECT:  
Nicholas Demos  
Office of Justice Assistance  
633 Indiana Avenue, N.W.  
Washington, D.C. 10531  
(202) 724-5961

DATA ON ACTIVE P.I.E. PROJECTS

<u>STATE</u>	<u>KANSAS</u>	<u>MINNESOTA</u>		<u>UTAH</u>	<u>TOTALS</u>	
<u>PROJECT</u>	Zephyr Product	Control Data Corporation	M.C.I. Metal	U.C.I. Graphics	4	<u>TOTAL ACTIVE PROJECTS 7/84</u>
<u>PRODUCT</u>	Light Metal Fabrication	Computer Disk Drives/Wire Harness	Farm Equipment / Road maint. vehicles	Road signs/ Printed material	7	<u>NUMBER OF PRODUCTS</u>
<u>INSTITUTION</u>	Kansas Corr. Inst./Lansing	Stillwater State Prison	Stillwater State Prison	State Prison at Draper	3	<u>NUMBER OF PRISONS</u>
<u>START-UP</u>	December, '79	September, '81	July, '83	May, '82	since '79	<u>START-UP</u>
<u>COMPANY'S CAPITAL INVESTMENT</u>	\$1,000,000.00	\$ 100,000.00	0	0	\$1,100,000.00	<u>TOTAL PRIVATE SECTOR CAPITAL INVESTMENT</u>
<u>STATE'S CAPITAL INVESTMENT</u>	0	\$ 52,000.00	\$ 177,500.00	\$ 75,000.00	\$ 304,000.00	<u>TOTAL STATE CAPITAL INVEST.</u>
<u>GROSS SALES FOR 1983</u>	\$1,403,801.00	\$ 559,372.00	\$1,307,767.00	\$ 638,321.00	\$3,909,261.00	<u>TOTAL GROSS SALES-1983</u>
<u>PRISONER WORKFORCE</u>	20	160	100	26	306	<u>TOTAL PRISONER WORKFORCE</u>
<u>RANGE OF HOURLY WAGES</u>	\$3.60	\$1.50-1st 6 wks. \$3.35-\$4.00 - after 6 weeks	\$3.35-\$4.55	\$3.35-\$4.00	\$3.35 - \$4.55	<u>TOTAL RANGE OF HOURLY WAGES</u>
<u>TOTAL WAGES PAID TO 6/84</u>	\$ 950,757.00	\$ 690,347.00	\$ 315,927.00	\$ 169,880.72	\$2,126,911.00	<u>TOTAL WAGES PAID THRU 6/84</u>
<u>TOTAL FUNDS DEDUCTED FOR:</u>						<u>TOTAL FUNDS DEDUCTED FOR:</u>
TAXES	\$ 98,824.00	\$ 48,868.00	\$ 23,902.59	\$ 3,131.00	\$ 174,725.59	TAXES
ROOM AND BOARD	\$ 226,967.00	0	0	\$ 15,699.18	\$ 242,967.18	ROOM AND BOARD
FAMILY SUPPORT	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00	\$ 50,000.00	\$ 450,000.00	FAMILY SUPPORT
<u>F.I.C.A.</u>	\$ 62,967.00	0	0	0	\$ 62,967.00	<u>F.I.C.A.</u>

Addendum on Wages

The key language regarding wages in Section 827 of P.L. 96-157 states that prisoners participating in P.I.E. projects shall be paid "at a rate which is not less than that paid for work of a similar nature in the locality in which the work is performed."

The Office of Justice Assistance (O.J.A.), in its initial certification process and in its continuing monitoring function, has made every attempt to see that the law is obeyed.

The process used, to date, to determine project wages includes the following:

- The State Department of Economic Security specifies (in writing) prevailing wage ranges, by job title, for each pilot work project.
- Each State Department of Economic Security makes its own determination (generally using Standard Statistical Metropolitan areas) of the "locality" in which the project is located. Generally speaking, wages in urban areas exceed those in adjacent rural areas for "work of a similar nature". Most prisons are in rural areas.
- State departments of Economic Security generally classify project workers as "entry level" workers because of:
  - (1) their lack of job skills, and
  - (2) high turnover in the work force.
- Each certified project is required to review prevailing wage data with its State Department of Economic Security annually, and to submit written documentation of changes to O.J.A.
- In general, pilot project wages have approximated the federal minimum wage.
- Pilot projects must submit to O.J.A. detailed wage plans, including pay grades by job title. These plans are monitored on a quarterly basis and compared to actual payroll schedules.

## APPENDIX I (R)

**PRINTING INDUSTRIES OF AMERICA, INC.**

1730 North Lynn Street  
Arlington, VA 22209  
(703) 841-8100

August 1, 1984

The Honorable Robert W. Kastermeier  
Chairman, Subcommittee on Courts, Civil  
Liberties and the Administration of Justice  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Printing Industries of America appreciates the opportunity to provide its views on the prison industry program. Frankly, we have had very little exposure to the federal prison industry program in the area of printing. The only exception has been the project in the state of Utah where the Justice Department's Office of Justice Assistance has certified the Utah Department of Corrections Graphic Arts Prison Industry Program for interstate marketing of printed decals and other products to private sector customers and to the federal government. This program has resulted in a strong negative reaction from companies in the industry which print decals.

Since our exposure to the federal program is limited to the Utah situation, our comments today are directed at numerous state activities which have caused considerable problems for members of the Printing Industries of America in the states of California, New York, Florida, Virginia and Alabama. In each of these states, an effort is being made to move ahead with a printing industry program in the state prisons with very little regard for the concerns of local printing industry. In each case where problems have arisen, the local industry through one of the local affiliates of the Printing Industries of America has made an effort to work within the state system to design a prison industry program which would meet both the needs of the state and the industry. With a few exceptions, these efforts toward cooperation have not been successful.

Our association supports the prison industry program. We do, however, have some concerns about those programs which are being developed within state prison systems which allow competition with private industry without providing clear direction toward the other goals of rehabilitation and the creation of a private sector type work program. Our local affiliates have, for example, encouraged the state prison system to work with the local industry to determine which job skills which can be transferred from a prison industry program into the private sector once a prisoner has completed his term. It is our belief that equipping a prisoner with the skills needed to work on obsolete equipment or in job classifications for which there is no opportunity in the private sector serves no useful purpose.

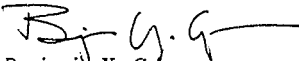
It is ironic that this lack of cooperation would occur in the printing industry. Currently the printing industry is undergoing a significant transition in the area of skilled labor and there is at this time a labor shortage in the industry in some of those skilled crafts. It is entirely possible that an aggressive training program in the printing industry area could result in genuine job opportunities for prisoners once they are released.

Specifically, we would recommend that any reconsideration of the federal prison industry program would include the following:

- 1 -- A rehabilitation and training program developed jointly with local industry. This would ensure that training efforts would be directed toward the areas of the industry with the greatest need for skilled personnel.
- 2 -- A goal to limit participation in the prison industry program to those inmates who have a reasonable chance of early release. (We have some evidence that in some of the state programs only inmates with long sentences are used in the printing industry program to assure that their training is not wasted due to early release.)

Enclosed with our statement is an article from Southern Graphics magazine which highlights some of the problems encountered with the state of Florida's prison industry program. We appreciate your consideration of our remarks.

Sincerely,



Benjamin Y. Copper  
Senior Vice President  
Government Affairs

EC:jr

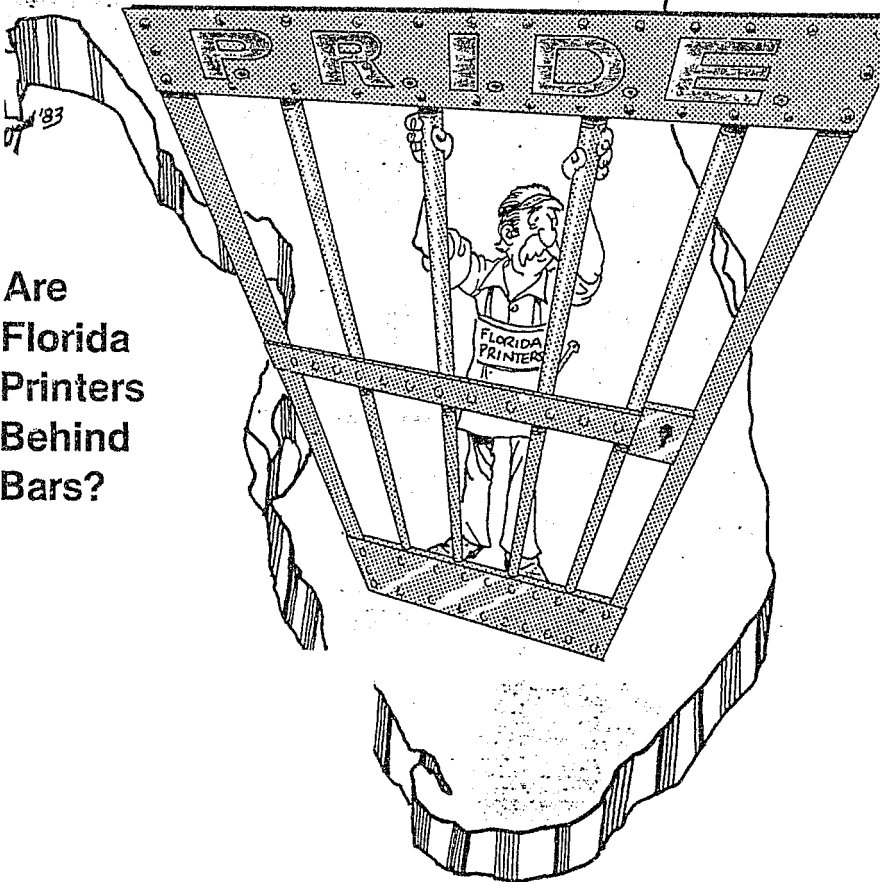
cc: Members of the Subcommittee on Courts

# Southern Graphics

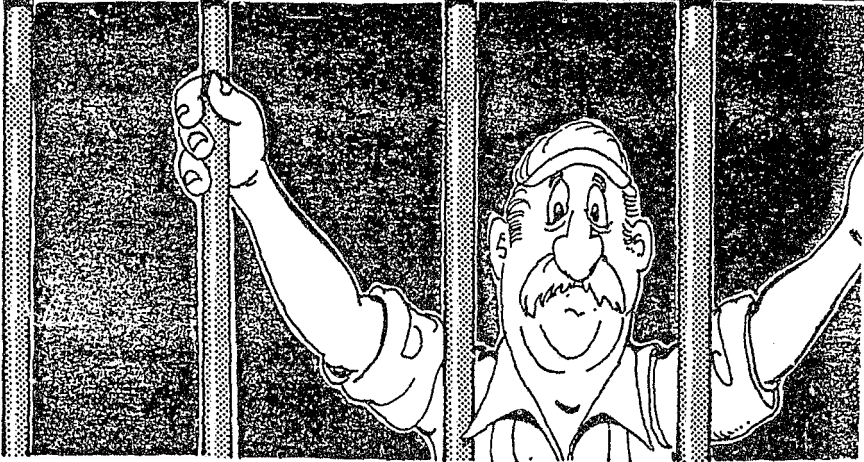
JUNE 1983

Houston Prepares For  
Southwestern Graphics '83

Are  
Florida  
Printers  
Behind  
Bars?



# Are Florida Printers Behind Bars?



Has the printing industry in Florida been sentenced to a life of competing with prison inmates for state contracts? Has "rehabilitation" of criminals been relegated to second in priority behind the profitability of prison work programs? Can correctional industries ever be successfully run like a business, without competing head-to-head with private enterprise?

Those are just some of the questions being asked in The Sunshine State by the printing industry and other segments of the business community, as a result of legislation that was quietly passed in 1981.

The passage of Section 945.135 of the Florida Statutes established a private, state-sponsored non-profit corporation to operate and manage the prison industry program in the state, which produces some 150 different products and generates an annual income in excess of \$24 million.

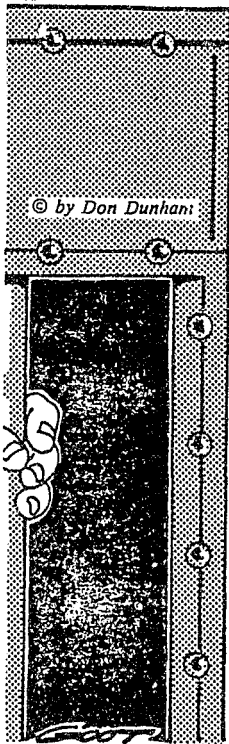
This corporation, known as Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE), will assume control of all 62 correctional industries in the 16 Florida state prisons by July 1, 1985. Currently

only the printing operation at the Zephyrhills Correctional Institution and the livestock, canning, farm, and sanitary maintenance operations at the Glades Correctional Institution are being managed by PRIDE, with four more takeovers planned before the end of summer.

The corporation (the first of its kind in the country) is operated by a board of directors appointed by the Governor and confirmed by the Senate. Jack Eckerd, a drugstore magnate, who has unsuccessfully run for Governor three times, serves as "chief executive officer," and Floyd Glisson, former Pinellas County manager and senior vice president with the Eckerd Corp., is president.

The PRIDE team will, over the next two years, assume control of a correctional industries program





that produces a wide range of products that include printing, garment manufacturing, tire recapping, concrete blocks, shoes, furniture, farm products, and cattle raising.

The goal of PRIDE, as seen by the 1981 Legislature, was to provide an organizational mechanism to avoid the many restraints of state government that restrict the ability of prison industries to operate efficiently. Some of these restraints are strict regulations governing: purchasing procedures, personnel salaries, competition with the free enterprise system, as well as the management and control of working capital, including retained earnings.

At its March 30 board of directors meeting in Tampa, PRIDE issued the following description of its mission and goals:

"The mission of PRIDE is to manage, as a non-profit corporation, existing and future prison industries and enterprises as profit-making, in order to pursue the following statutory goals:

1. to reduce the burden of the cost of the correctional system on the citizens of the state;
2. to serve the rehabilitative goals of the Department of Corrections by replicating as closely as possible free-world production and service operations, in conjunction with relevant education, training and post-release job placement; and
3. to serve the security goals of the Department of Corrections through the reduction of idleness in prison, engendering a reduction of tension and violence as well as providing an incentive for good behavior."

The legislation explicitly stressed the importance of PRIDE being able to operate independent of state control, explaining that it wouldn't be possible for the corporation to accomplish its tasks unless it was able to operate similar to that of a private business.

The fact, though, that "an independent corporation" is operating free of governmental restrictions within the state-operated and funded prison system, is just one of several concerns raised by individuals in the Department of Corrections, other state agencies, and the private business community.

On the surface, the intent and purpose of PRIDE appears sound and even admirable. Upon investigation, though, seemingly ambiguous and vague language in the PRIDE bill leaves much open to interpretation. Subsequent legislation, that has been drafted but never passed, still leaves many questions unanswered.

For example, unless new legislation currently under consideration in Tallahassee is adopted, the State Auditor General will still not have access to PRIDE'S financial records, the only source of determining the profitability of the corporation. Since the state is supposed to receive compensation from the corporation for the use of inmate labor, and since taxpayer's money is used to operate the prisons, an accurate accounting of revenues is of vital interest.

PRIDE contends that because it is a private, non-profit corporation, the state should not have the right to inspect its books.

The issue of compensation is another area of major concern that has drawn comments from legislators, as well as for the corporation's general counsel.

PRIDE is required to establish a method of compensation to the Department of Corrections for inmate labor within six months after assuming control of a program.

No compensation plan, however, has been devised yet for Zephyrhills and neither the state of Florida, nor the Department of Corrections, has received any money (compensation) from PRIDE, despite the fact the printing operation was taken over more than eight months ago.

## A "quick copy center" has been proposed as an addition to the Zephyrhills plant.

Further, there is even more ambiguity about just what "compensation" really means. The concept of the prison industries being as close to private enterprise as possible is not obtainable if the inmates are not paid for their work like regular employees.

This question was raised in an August 26, 1982 internal memorandum from a research assistant of the House Committee on Corrections, Probation and Parole to its chairman, Rep. James G. Ward. She wrote that the language of the Agreement between PRIDE and the Department of Corrections regarding the Zephyrhills operation:

"... allows PRIDE to determine the initial amount of money it wishes to pay the Department for 'use' of inmates ... There is no language specifically calling for monetary (or other) compensation to inmates. The statute is not clear on this issue; however it does refer to inmate compensation and the formula for distribution of monetary compensation, presumably derived from working for PRIDE. By not directly paying inmates, PRIDE is freed from paying worker's compensation insurance."

The memorandum continued:

"If inmates are not compensated monetarily, there is no vehicle for the state (through the Department) to receive any 'profits' earned by PRIDE; there is no language to provide any means of returning profits to the industries program."

The question of compensation was also on the mind of PRIDE's general counsel Wilbur Brewton, when he wrote the following in a memorandum to Jack Eckerd on Nov. 16, 1982:

"At the present time, the Department of Corrections is not paying its inmates. The word 'compensation' within the statute can be interpreted to require compensation to be paid directly to the inmate, or as I have interpreted it, to pay for inmate hours. The problem is the establishment of a compensation proposal. Such a compensation program must be considered in light of the applicable Federal tax laws and social security requirements at the Federal level in order that funds not be removed from the system by Federal taxation."

Brewton went on, stating:

"A Senate committee has raised the question as to whether or not payment of inmate hours comes close

## Zephyrhills Plant Produces Wide Variety Of State's Printing Needs

It looks like any ordinary print shop, with cartons of unused paper and stacks of finished jobs waiting to be cut, folded and bound.

A display board in the front office contains samples of a wide variety of color and black and white jobs produced in the plant. From business forms to publications and posters to bumper stickers, the product mix is typical of a general commercial shop.

There are, however, some noticeable differences. The primary ones are the security fences and guard stations. One look at them and any observer quickly remembers this is not any ordinary shop.

It is instead the printing operation at the Zephyrhills Correctional Institution near Tampa, Fla. Established in 1977 as part of the state's correctional industries program, it is now under the management of Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE), a non-profit corporation created by the 1981 Florida Legislature to take over operation of the 62 prison industry programs in the state.

Zephyrhills was the first such program taken over by the corporation

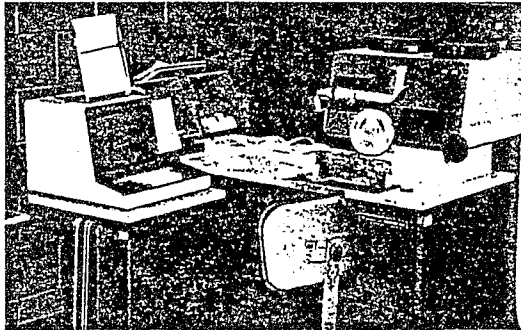
primarily because it was one of the showcase operations in the state prison system that was making a profit.

Restricted by state law from doing business with anyone but state agencies, the printing plant is run much like a commercial plant, with the inmate workforce treated like employees in many cases.

Brian Ebert is the manager of the

plant. He previously worked for Star Press, a commercial printing company in Winter Haven. He says the takeover by PRIDE has had many positive effects.

It has removed much of the red tape that previously hampered smooth operations. It no longer takes six weeks to secure a purchase order before supplies can be ordered and



to the practice of 'leasing convicts,' which scandalized the State in the early 1900s. It is my opinion that it does not in view of the fact that the State is required to develop a program or plan relating to compensation of inmates. It would be my opinion that the Department should develop this plan in negotiation with PRIDE and receive compensation directly from PRIDE for distribution to the inmates."

The absence of any compensation plan was noted in the financial analysis released at PRIDE's March 30 board of directors meeting. Higher than industry standards on return on average investment percentage (118 percent) and the net present value of income (\$531,000), in addition to other figures, were qualified as higher than usual due to payment "not being made to inmate labor."

PRIDE followed that statement with a recommendation that a compensation plan be implemented by July 1 of this year.

Another area that has concerned staff analysts with the House Committee on Correction, Probation and Parole is the wording in the PRIDE agreement with the state that the document is the "entire agreement of the parties and no representations, inducements,

promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect."

Any provision which may have been discussed and deemed "obvious," but not expressly written into any agreement, cannot be enforced.

As a result of that statement, there is no course of action for the State Department of Corrections to take, if PRIDE decides not to honor or follow through on any provision, since no specific penalty is spelled out in the legislation or agreement.

It can be "assumed" that if a violation in the lease agreement between the State and PRIDE occurs that the lease could be revoked, but considering the nature and magnitude of the kind of leases involved, it seems highly unlikely such action would be pursued by the State.

Investigation into PRIDE also revealed a seemingly major contradiction that eats right into the very purpose and essence of the corporation.

Even though "Rehabilitation" is included in its name, the emphasis and main goal of PRIDE is to make the prison industry programs profitable. True rehabilitation of inmates will have to take a back seat

staff salaries have increased significantly. The morale of both the civilian and inmate workers has also improved.

There are currently approximately 50 inmates involved in the printing program, with plans to add an additional 35 when a second shift is started this summer.

One of the biggest problems the print shop has had to contend with in the past is outdated, almost obsolete equipment. Most of what is used presently was bought when the plant opened in 1977. New typesetting equipment (they are still punching tape), additional duplicators and presses, a new cutter with solid state components, and additional shrink wrapping units are high on the priority list.

A new Heidelberg 19x25" single color press, an A.B. Dick 375, and a nine station Diddie Graphics collator have been installed since PRIDE took over last fall.

An Itek 11x17" duplicator; two digital batch scales; an Omnibinder collator, folder, stitcher and trimmer; an RC Phototypesetter processor; a mechanical jogger; and a heavy-duty

stitcher have also been ordered.

According to Ebert, most of the \$183,000 in new equipment being purchased by PRIDE will replace old equipment. In the past the prison system spent more money on vocational and educational rehabilitative programs than on the work oriented programs.

All the work produced is for state agencies, which are required by state mandate to send as much work as possible to Zephyrhills. Most are specialty jobs that can't be produced by a department's in-plant shop. These include welfare forms, food stamps, public relation campaign posters and bumper stickers, business forms, brochures, certificates, and pamphlets.

Since PRIDE took over, monthly sales have increased from \$52,900 in September to \$155,800 in February. This year total sales should top \$2.5 million. In 1981-82 the figure was \$750,000.

Ebert says much of the increase in work being produced is a result of better efficiency and getting jobs out quicker.

One might get the impression that managing a prison print shop would

have inherent problems associated with poor motivation and work habits on the part of inmates. Ebert, however, says that all potential workers (inmates) go through an orientation and educational program and that they must be willing to help themselves and want to work.

Some of the inmates involved in the printing operation are serving life sentences, but most are in for five to ten years. They can be granted gain time, a day off their sentence for every day worked, if they cooperate.

Ebert says for the most part, the printing operation is well accepted by state agencies. "We have a reputation for good reliability and high quality," he explained. "We also have a lower reject or redone rate than the private sector," he added.

Some of the inmates go on and make a career of printing when they are released, but not as many as Ebert would like, and he is hoping that PRIDE can help improve that situation.

If that happens, the Zephyrhills printing operation could be a model for rehabilitation efforts in the future.

**Despite free labor and a \$1 a year lease,  
PRIDE only reported a 24.92 percent profit for the Zephyrhills printing plant  
in the first months of operation.**

if turning a profit is deemed more important.

One particular paragraph of the statute that created the corporation states:

"... an inmate may be employed by the nonprofit corporation or by another private enterprise operating on the grounds of a correctional institution prior to the last 18 months of his confinement.

That sentence could be interpreted as meaning that inmates are not allowed in the PRIDE program if their sentences are 18 months or less.

Joann McCollum, an aide to Sen. Gerald Rehms (who co-sponsored the original PRIDE legislation with Sen. George Kirkpatrick), interpreted the paragraph differently though. She said it allows inmates to work in a PRIDE program if their sentence exceeds 18 months, and that prior to this the law prohibited these longer term inmates from participating in any prison work program.

In either case, the simple truth is, long-term inmates are more stable workers and require less training. PRIDE can turn out more work if less turnover is involved, and it appears that it is more interested in keeping inmates busy, and therefore out of possible mischief and trouble, than it does in true rehabilitation.

If inmates cannot work for PRIDE right up to the time of their release, however, it would severely erode the concept of teaching job skills and helping place inmates in the private sector after their sentences are completed.

Job placement after release, at least in the past, has not received high priority. According to the Printing Industries of Florida, only two inmates have been placed in the private commercial printing sector since the Zephyrhills printing operation was started in 1977.

James Lohman, associate director of the Florida Clearinghouse for Criminal Justice, a non-profit agency that tracks the criminal justice system, says it will take a "considerable amount of effort," to change the prison system where any work program could be effective in rehabilitating inmates. He added that numerous earlier attempts at job-training have not been successful, and expressed his doubts whether rehabilitation is possible when profitability is also of concern.

"If PRIDE is strictly an economic thing to make the prisons self-

sustaining, it should be acknowledged as that," he said.

PRIDE officials contend that their approach is different and that they have learned from previous mistakes. They also remind skeptics that the program is new and suggest it's unfair to judge them just because of past failures before they have a chance to prove themselves.

It appears, though, that PRIDE's approach to inmate employment is to add new equipment and acquire more work from state agencies in order to "employ" more inmates and "work" longer hours.

Unfortunately, the more work produced by inmates, the less work is contracted out to the private sector, especially in regard to the printing operation at Zephyrhills.

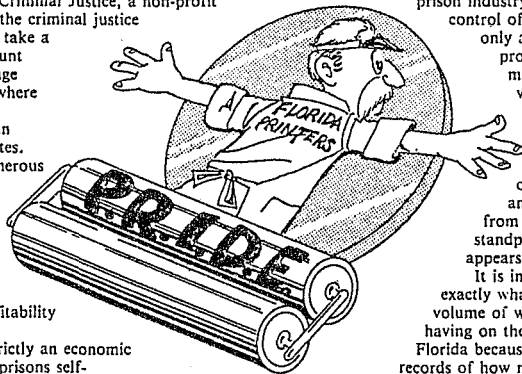
The ability of PRIDE's printing plant to attract more state work was made easier last year when an Appropriations bill included an attached clause which requires Health and Rehabilitative Services to send all its printing to Zephyrhills whenever feasible. All state agencies, in fact, are urged to send their printing to the correctional center.

Since PRIDE assumed control last fall, sales have increased from \$52,900 in September to \$155,000 in February. Annual sales this year should top \$2.5 million, up from \$800,000 in fiscal 1981-82. Profits in the first six months totaled \$145,000, only \$26,000 less than all of last year. A free labor force, of course, is reflected in the profit figures, since no compensation plan has been developed.

PRIDE is planning on adding a second shift at the printing plant in July, while \$183,000 of new equipment has either already been installed or is on order. This includes a 19x25" Heidelberg.

The Zephyrhills printing operation was the first prison industry that PRIDE assumed control of because it was one of only a few of the existing programs that was already making a profit. It was viewed as a safe opportunity to test the concepts and managerial effectiveness of the new corporation, and from a purely from a purely economic standpoint this first test appears to be a success.

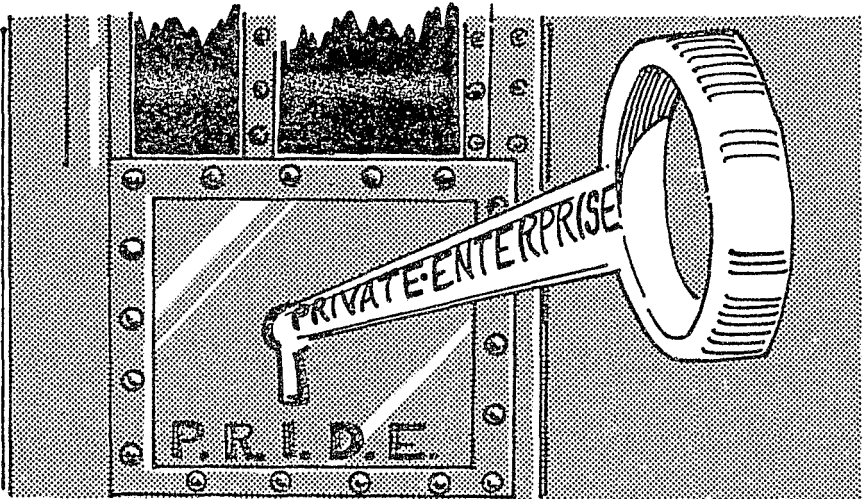
It is impossible to estimate exactly what impact the increased volume of work at Zephyrhills is having on the commercial shops in Florida because there are no accurate records of how much printing is



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The key to PRIDE'S success is cooperation with private enterprise. It needs to work with the business sector, instead of competing against it, in order to achieve some of its rehabilitative goals.

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actually purchased by the state each year. A 1979 report compiled by the Auditor General's office stated that the executive branches bought slightly over seven million dollars worth of printing on publications and other materials, but that didn't include state universities, libraries, or other branches of government, nor did it include work that was produced in-house.

The problem of not knowing how much state printing is purchased annually is not unique to Florida. The Printing Industries of the Virginias recently were successful in changing the language of a proposed bill that would have required the state to send a minimum of 50 percent of its work to the Department of Corrections. PIVA questioned what 50 percent represented since there were no reliable figures on how much printing was purchased by the state.

There are other questions about PRIDE that still need to be answered.

1. If it is a non-profit corporation that it was intended to be, funded entirely from private contributions, why did Gov. Robert Graham include \$750,000 for PRIDE in his 1983-84 budget. This trust fund would be used to help the corporation take over new programs and assist in purchasing new equipment and supplies in other industries already taken over.

This money is being requested even though the

PRIDE bill specifically states that "no lease shall be entered into without (the corporation) demonstrating to the Department of Corrections that there are sufficient funds available to the corporation, through donations and pledges, to cover initial expenses."

PRIDE already receives any appropriated funds from the general revenue budget that may be remaining in a prison industry's account when it takes over a program, and is also provided the opportunity to request additional funding from the Department of Corrections for special needs.

It also does not assume any liabilities or debts that may have been accrued by the Department of Corrections before the management of a program was transferred.

2. If PRIDE wants itself as far removed as possible from government red tape, why does it want to remain under state agency status for insurance purposes? If it is a private corporation, why should it be entitled to "sovereign immunity" like state agencies?

3. Why are only four of the 13 board of directors from private enterprise? One of those, incidentally, is Gerald E. Toms, who is president of The Graham Co., a dairy cattle business owned by the Governor. Further, only Toms and James W. Kytes, senior vice

**PRIDE is supposed to have sufficient funds  
to cover initial expenses before it takes over a program, however  
neither "initial expenses" nor "sufficient funds" have been defined.**

president of Jim Walter Corp., represent businesses that "compete" with or have similar products as those produced through the prison industries.

4. Why can PRIDE have the freedom to sell 1271 head of cattle at The Glades Correctional Institution and make \$484,968.05 clear profit, and not be required to pay back the state anything for the money it spent previously to raise, feed, and care for the animals. It's PRIDE's money that can be used any way it pleases, although it is supposed to be "plowed" back into the correctional industries.

Should the \$1 a year PRIDE pays for leasing each facility give it license to sell off any portion of an existing program that heretofore was maintained by taxpayer money, especially if the corporation will receive any and all profit from such a sale?

5. Is PRIDE a public trust or a private corporation? Shouldn't it be subject to Florida's "Government in the Sunshine" law, which prohibits groups dealing with issues of public concern from meeting behind closed doors. The press and general public must be permitted to attend.

6. Why did the Department of Corrections purchase \$150,000 in ring bindery equipment for the Cross City Correctional Center more than a year before any work program was scheduled to become operational? It will, in fact, probably never be in operation before PRIDE assumes control.

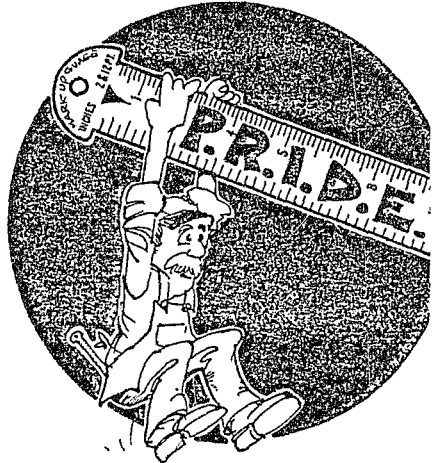
7. What if current legislation that would prohibit the state from doing its own bookbinding fails to pass? A small bindery operation at Union Correctional Institution at Raiford has already taken business away from private industry, and if it was expanded the effects could be devastating to some small businesses.

Jerry Bexley of St. Augustine's Dobbs Brothers Library Binding Co. was responsible for getting the current bill that would prohibit the state from doing its own binding introduced. His company depends on state bookbinding work for 60-65 percent of its annual sales. The loss of those contracts would cost Dobbs Brothers close to \$1 million and force the layoff of 112 employees.

8. If the state and the Department of Corrections are so concerned about rehabilitation and trying to train and eventually place inmates in jobs after their release, why hasn't private industry been sought out to help? The Printing Industries of Florida assisted Zephyrhills officials in 1977 in selecting some of the equipment for the printing plant, but since that time very little contact has occurred.

What does PRIDE or the Department of

Corrections know about printing or any of the other industries that it operates? P.I.F. and other trade associations would have been more than willing to help establish criteria and train inmates and then to assist in job placement after release. By working directly with industry, any threat of direct competition could have been eliminated, and more real job-skill training could have been accomplished.



There are still other concerns and questions that need to be answered, and perhaps as subsequent legislation is passed, some of the ambiguous and vague language will be changed.

The goal of rehabilitating prisoners is certainly admirable. So is the idea of saving taxpayer money on prisons and making inmates "pay their own way."

The goals and mission of PRIDE are equally noble. Whether or not they are practical and achievable is the question. Perhaps it is too early to form any concrete conclusions, or to be overly concerned about the possible effects of increased competition from the prison industries on the private sector.

Perhaps a private corporation should be given carte blanche to take over and manage the prison industries that previously have been funded by taxpayers.

Perhaps the profitability of the prison industries and the rehabilitation of inmates can occur simultaneously.

Perhaps . . . or perhaps not!

## From The Editor

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Pride in one's work is an admirable trait that is generally symbolic of high quality and utmost confidence in ability.

According to Webster's Dictionary, pride is:

"... the quality or state of being proud, as: inordinate self esteem; a reasonable or justifiable self-respect; delight or elation arising from some act, possession or relationship ..."

PRIDE in Florida's prisons, however, is an acronym for Prison Rehabilitative Industries and Diversified Enterprises, a non-profit corporation established by the state legislature in 1981 to take over and run the 56 prison industry programs in Florida's 18 correctional institutions.

The cover article in this issue, beginning on page 10, examines PRIDE in detail—the purposes, behind and the intent of the original legislation, as well as some of the many questions and concerns that are currently being raised by the private business sector, particularly printers.

Much of the controversy centers on ambiguous and vague language in the original legislation, that despite numerous amendments and various committee recommendations still remains unclear.

As I mentioned in my April editorial, the printing industry in Florida is probably feeling the impact of PRIDE more than any other business sector because of competition for state printing jobs. The more work produced by inmates at the Zephyrhills Correctional Institution print shop, the less work gets bid out to the private sector.

Many of you reading this issue may wonder why so much space is being devoted to a subject that seemingly only affects printers in Florida.

Quite to the contrary, in my opinion the PRIDE situation in Florida should be of interest to every printer in every state. A lesson can be learned.

It's a lesson that the Printing Industry of the Virginias knows well. They were recently successful in changing the language of a proposed bill that, if passed, would have required that 50 percent of all state printing be produced by the department of corrections. They were able to protect the commercial printing industry in Virginia and prevent damaging legislation from passing because they knew what was happening in state government and were organized enough to act quickly.

Let this be a challenge to everyone. Stay informed. Form a Political Action Committee through your state association or some other type of watchdog group that can stay on top of pending state legislation that might affect the printing industry.

It's much easier to prevent a bill from being enacted than it is to change or repeal legislation that is already on the books. Just ask the printers of Florida.

## APPENDIX I (S)



## PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street  
Arlington, VA 22209  
(703) 841-8100

Government Affairs  
Department

August 29, 1984

The Honorable Robert W. Kastenmeier  
Chairman, Subcommittee on Courts, Civil Liberties  
& the Administration of Justice  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

The Printing Industries of America strongly urges the Department of Justice to delay the implementation of the proposed guidelines for the Prison Industries Enhancement Certification Program. We feel it is very important that these guidelines contain provisions that will place the local prison industry programs under the direct oversight of a local board which includes representatives of business and industry. Until such provisions are made, we would urge that the proposed guidelines not be issued.

This is important, in our view, for several reasons. The intent of the Department to allow these prison programs to operate subject to the competitive pressures of the free enterprise system is, in our view, flawed. From the start these businesses are required to pay the inmates according to the local "prevailing wage" for their particular craft. Any knowledge of the Department of Labor's experience in determining "prevailing wages" for compliance with the Davis-Bacon Act should dissuade Justice from considering such a proposal. Furthermore, many of the state prison industry programs perform on contracts that have been "carved out" for them by state law. Protected markets are hardly the stuff of competitive free enterprise. What happens when a prison industry program runs into financial difficulty? Does it lay-off workers? Is it allowed to enter Chapter 11 bankruptcy proceedings? Does it receive assistance from the state or local government?

It is clear to us that these prison industry programs cannot operate independent of some kind of governmental or private industry oversight. Recognizing this, we urge the Justice Department to consider incorporating into this program some of the positive experience that the Labor Department has had using local government boards or Private Industry Councils to have direct oversight -- at the local level -- of these prison industry programs.

These boards or PICs are comprised of representatives from industry, labor, state and local government, and public interest groups. Such a group could help provide some much needed local direction to these programs and help alleviate some of their surrounding controversy.

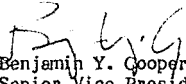
We strongly urge the Justice Department to incorporate the Private Industry Council structure into the prison industry guidelines. The only reference to local involvement in the proposed guidelines is the requirement for an applicant to show "evidence of consultations with representatives of local labor union central bodies or similar union organizations potentially affected by the proposed industry." With the percentage of unionization in this country estimated to be below 20%, this kind of reference to organized labor at the exclusion of any involvement by the private sector points out the urgent need for revision of the proposed guidelines.



We would further urge that the involvement of Private Industry Councils be enhanced by specific industry involvement. We would recommend, for example, that state and local printing and graphic arts associations be involved in developing printing programs in the prisons. This involvement would alleviate the anxiety caused by the entry of prison industries into the marketplace. Further, such involvement would assist in directing the prison program into those areas where there would be less competitive pressure.

The Printing Industries of America will be happy to work with the Department and other representatives of business and labor to design and set up workable guidelines to this important initiative.

Sincerely,

  
Benjamin Y. Cooper  
Senior Vice President

BYC:kd

## APPENDIX I (T)

*Zephyr Products, Inc.**Contract Manufacturing of Sheet Metal Products*

## Zephyr Products: A Five Year Update

For the past five years, Zephyr Products has operated a private enterprise, non-subsidized, sheet metal fabrication facility in a new 32,000 sq. ft. plant in Leavenworth, Kansas. Each morning, inmates from a nearby Kansas State Penitentiary board a Zephyr-owned bus and ride three miles to work, earning \$3.35/hr. (plus a 25¢/hr. performance bonus) for shearing, punching, bending, and welding sheet metal into precision parts, which are sold to other private companies in the Kansas City metropolitan area.

During this period, 156 inmates were employed, earning wages of \$1,007,000. From these wages, the inmates paid \$171,000. for taxes and \$264,000. for room and board in the prison, (\$7.00 per work day), representing some 43% of their gross wages. Most important, however, these jobs provided the inmates the opportunity to become responsible citizens while incarcerated, which was the primary purpose of Zephyr's origination. The inmate/employees have developed realistic job skills, learned "real world" quality and quantity expectations, and gained the personal confidence that they can successfully compete in the private sector upon release from prison.

Although this experimental program has been judged a success by all governmenta and political entities, Zephyr Products has yet to show a profit. The continuing financial losses are a result of the depressed agricultural equipment market, management mistakes, and the hidden costs of an all-inmate workforce. Fred Braun the owner and president of Zephyr, not only works without salary or financial compensation, but has personally subsidized the losses in his continuing search for a successful, non-subsidized, private enterprise model.

The complexities in trying to develop such a successful model, which satisfies both governmental and private sector objectives, without subsidy, are far greater than Braun and his supporters originally envisioned. As a result, they have not yet succeeded. Braun is currently discouraged, but not ready to "quit and run".



Fred P. Braun, Jr.

December 17, 1984

# *Zephyr Products, Inc.*

Contract Manufacturing of Sheet Metal Products

To: Fred Braun  
 From: Jack H. Porter  
 Subject: Summary Report on inmate wages

October 18, 1984

During the period 12/3/79 through 9/30/84 Zephyr Products, Inc., has hired 156 inmates. One hundred thirty-one (131) were employed at Zephyrs Leavenworth plant and twenty-five (25) to work at Zephyrs paint line inside KSP. As of 9/30/84, 16 were still employed at the Leavenworth plant. The paint line was closed in April 1984.

The following salaries have been paid and deductions withheld from the inmates during the period 12/3/79 - 9/30/84.

<u>YEAR</u>	<u>SALARIES</u>	<u>FEDERAL WITHOLDING</u>	<u>SSAN</u>	<u>STATE INCOME TAX WITHELD</u>
Dec. 3, 79 - Dec. 31, 83	\$913,181.18	\$81,947.05	\$59,855.77	\$13,389.89
Jan. 1, 84 - Sep. 30, 84	<u>94,151.90</u>	<u>7,825.47</u>	<u>6,308.94</u>	<u>1,401.57</u>
	\$1,007,333.08	\$89,772.52	\$66,164.71	\$14,791.46

During the period 12/3/79 through 09/30/84, \$263,856.00 has been withheld from inmates salaries and returned to the State of Kansas. (this is \$35/week per inmate). This inmate contribution theoretically helps pay some of the cost in operating the state correctional system.

In summary, since the Zephyr start up in Leavenworth in December 1979:

- 1.) Inmates have paid taxes of
 

	\$89,772.52
	66,164.71
	14,791.46
Room & Board	<u>263,856.00</u>
TOTAL	\$434,584.69

- 2.) This represents 43% of their gross salaries earned (\$1,007,333.08), their contribution to society while in prison.

## APPENDIX II (A)

I

98TH CONGRESS  
1ST SESSION**H. R. 3684**

To authorize the Secretary of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes.

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 IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1983

Mr. CONYERS introduced the following bill; which was referred jointly to the Committees on the Judiciary and Education and Labor

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**A BILL**

To authorize the Secretary of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
 2        *tives of the United States of America in Congress assembled,*  
 3        That this Act may be cited as the "Federal Correctional  
 4        Education Assistance Act".

5                FINDINGS AND DECLARATION OF PURPOSE

6                SEC. 2. (a) The Congress finds that—

(1) existing educational programs in juvenile and adult correctional institutions are inadequate to meet the needs of accused individuals or convicted offenders;

(3) education is important to, and makes a significant contribution to, the adjustment of individuals in society; and

(b) It is, therefore, the purpose of this Act to provide financial assistance to the States to carry out educational programs for criminal offenders in correctional institutions.

21      SEC. 3. As used in this Act—

1 (A) prison,

2 (B) jail,

3 (C) reformatory,

4 (D) work farm,

5 (E) detention center, or

6 (F) halfway house, community-based rehabili-  
7 tation center, or any other similar institution de-  
8 signed for the confinement or rehabilitation of  
9 criminal offenders;

10 (3) "Secretary" means the Secretary of Educa-  
11 tion;

12 (4) "State" means any State of the United States,  
13 the District of Columbia, and the Commonwealth of  
14 Puerto Rico; and

15 (5) "State educational agency" means the State  
16 board of education or other agency or officer primarily  
17 responsible for the State supervision of public elemen-  
18 tary and secondary schools, or, if there is no such offi-  
19 cer or agency, an officer or agency designated by the  
20 Governor or by State law.

21 AUTHORIZATION

22 SEC. 4. (a)(1) There is authorized to be appropriated  
23 \$25,000,000 for the fiscal year 1984, and for each succeed-  
24 ing fiscal year ending prior to October 1, 1986, to enable the

## 4

1 Secretary to make grants to States in accordance with the  
2 provisions of this Act.

3 (2) Funds appropriated for any fiscal year may remain  
4 available until expended.

5 (b) The Secretary is authorized to make grants to State  
6 educational agencies and to make grants for programs of na-  
7 tional significance in accordance with the provisions of this  
8 Act.

9

## ALLOCATION

10 SEC. 5. (a)(1) In each fiscal year in which the funds  
11 appropriated pursuant to section 4(a) exceed \$15,000,000 the  
12 Secretary shall reserve 3 per centum of the funds appropri-  
13 ated for carrying out section 8.

14 (2) From the sums appropriated pursuant to section 4(a)  
15 in each fiscal year in which paragraph (1) does not apply and  
16 from the remainder of the sums appropriated pursuant to sec-  
17 tion 4(a) for each fiscal year in which paragraph (1) does  
18 apply, the Secretary shall allocate to each State \$100,000  
19 plus an amount which bears the same ratio to such sums or  
20 to such remainder, as the case may be, as population of the  
21 State in correctional institutions for the year preceding the  
22 year for which the determination is made bears to the popula-  
23 tion of all States in correctional institutions for such year.

24 (b) The amount by which any allotment of a State for a  
25 fiscal year under subsection (a) exceeds the amount which the

## 5

1 Secretary determines will be required for such fiscal year for  
2 applications approved under section 7 within such State shall  
3 be available for reallocation to other States in proportion to  
4 the original allotments to such States under subsection (a) for  
5 that year, but with such proportionate amount for any such  
6 State being reduced to the extent it exceeds the sum the  
7 Secretary estimates such State needs and will be able to use  
8 for such year. The total of such reduction shall be similarly  
9 reallocated among the States whose proportionate amounts  
10 were not so reduced. Any amount reallocated to a State under  
11 this subsection during a fiscal year shall be deemed part of its  
12 allotment under subsection (a) for such year.

13 (c) No sums appropriated pursuant to section 4(a) shall  
14 be used for purposes inconsistent with the Juvenile Justice  
15 and Delinquency Prevention Act of 1974.

16 USES OF FUNDS

17 SEC. 6. Grants made under this Act to States may be  
18 used, in accordance with applications approved under section  
19 7, for the cost of educational programs for criminal offenders  
20 in correctional institutions, including—

21 (1) academic programs for—

22 (A) basic education with special emphasis on  
23 reading, writing, vocabulary, and arithmetic;

24 (B) special education programs as defined by  
25 State law;



## 6

- 1 (C) bilingual or bicultural programs for mem-  
2 bers of minority groups;  
3 (D) secondary school credit programs;  
4 (E) postsecondary programs;  
5 (F) fine arts programs;  
6 (G) recreation and health programs; and  
7 (H) curriculum development for the programs  
8 described in this paragraph;  
9 (2) standard and innovative vocational training  
10 programs;  
11 (3) library development and library service pro-  
12 grams;  
13 (4) training for teacher personnel specializing in  
14 correctional education, particularly training in social  
15 education, reading instruction, and abnormal psycholo-  
16 gy;  
17 (5) educational release programs for criminal of-  
18 fenders, with special attention given to vocational work  
19 release training programs;  
20 (6) guidance programs, including testing, prepara-  
21 tion, and maintenance of case records for criminal of-  
22 fenders, counseling, psychological evaluation, and  
23 placement services;  
24 (7) supportive services for criminal offenders, with  
25 special emphasis upon job placement services and co-

(8) cooperative programs with business concerns  
designed to provide job training for criminal offenders.

SEC. 7. (a) A State desiring to receive a grant under this Act shall submit an application to the Secretary containing or accompanied by such information as the Secretary deems reasonably necessary, with such annual revisions as are necessary. Each such application shall—

(1) provide that the programs and projects for which assistance under this Act is sought will be administered by, or under the supervision of, the State educational agency;

(2) set forth a program for carrying out the purposes set forth in section 6 and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

(3) provide assurances that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any employee in such program because of race, color, creed, national origin, sex, political affiliation or beliefs;

1           (4) provide assurances that funds received under  
2       this Act will be used only to supplement, and to the  
3       extent practical increase, the level of funds that would,  
4       in absence of such Federal funds, be made available  
5       from regular non-Federal sources for the purposes de-  
6       scribed in section 6, and in no case may such funds be  
7       used to supplant funds from non-Federal sources; and

8           (5) provide for a three-year report to the Office of  
9       Education containing a description of the activities as-  
10      sisted under this Act together with a description of  
11      evaluation programs designed to test the effectiveness  
12      of education programs assisted under this Act.

13          (b) Each application made under this Act may be ap-  
14      proved by the Secretary if the Secretary determines that the  
15      application meets the requirements set forth in this Act.

16                   PROGRAMS OF NATIONAL SIGNIFICANCE

17          SEC. 8. (a) From funds reserved pursuant to section  
18      5(a)(1), the Secretary is authorized to make grants to State  
19      and local educational agencies, institutions of higher educa-  
20      tion, State correctional agencies, and other public and private  
21      nonprofit organizations and institutions to meet the costs of  
22      programs of national significance which the Secretary deter-  
23      mines give promise of improving the education of criminal  
24      offenders.

1 (b) No grant may be made under this section unless an  
2 application is made to the Secretary at such time, in such  
3 manner, and containing such information as the Secretary  
4 deems reasonably necessary.

5 PAYMENTS AND WITHHOLDING

6 SEC. 9. (a) The Secretary shall pay to each State which  
7 has an application approved under this Act an amount equal  
8 to the cost of an application approved under section 7(b) or  
9 section 8(b).

10 (b) Whenever the Secretary, after giving reasonable  
11 notice and opportunity for hearing to a State under this Act,  
12 finds—

13 (1) that the program or project for which assist-  
14 ance under this Act was made has been so changed  
15 that it no longer complies with the provisions of this  
16 Act; or

17 (2) that in the operation of the program or project  
18 there is failure to comply substantially with any such  
19 provision;

20 the Secretary shall notify such State or grantee, as the case  
21 may be, of the findings, and no further payments may be  
22 made to such State or grantee, as the case may be, by the  
23 Secretary until the Secretary is satisfied that such noncompli-  
24 ance has been, or will promptly be, corrected. The Secretary  
25 may authorize the continuance of payments with respect to

- 1 any projects pursuant to this Act which are being carried out
- 2 by a State and which are not involved in the noncompliance.

## APPENDIX II (B)

II

98TH CONGRESS  
1ST SESSION**S. 625**

To authorize the Secretary of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes.

---

 IN THE SENATE OF THE UNITED STATES

MARCH 1 (legislative day, FEBRUARY 23), 1983

Mr. PELL introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

---

**A BILL**

To authorize the Secretary of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*  
 3       That this Act may be cited as the "Federal Correctional  
 4       Education Assistance Act".

5               FINDINGS AND DECLARATION OF PURPOSE

6       SEC. 2. (a) The Congress finds that—

(2) State and local educational agencies and other public and private nonprofit agencies do not have the financial resources needed to respond to the increasing need of the correctional system for appropriate institutional and noninstitutional educational services for accused individuals and convicted criminal offenders;

(4) there is a growing need for immediate action by the Federal Government to assist State and local educational programs for criminal offenders in correctional institutions.

(b) It is, therefore, the purpose of this Act to provide financial assistance to the States to carry out educational programs for criminal offenders in correctional institutions.

## 20 DEFINITIONS

21      SEC. 3. As used in this Act—

(1) “criminal offender” means any individual who is charged with or convicted of any criminal offense, including a youth offender or a juvenile offender;

25 (2) "correctional institution" means any—

## 3

1 (A) prison,

2 (B) jail,

3 (C) reformatory,

4 (D) work farm,

5 (E) detention center, or

6 (F) halfway house, community-based rehabili-  
7 tation center, or any other similar institution de-  
8 signed for the confinement or rehabilitation of  
9 criminal offenders;

10 (3) "Secretary" means the Secretary of Educa-  
11 tion;

12 (4) "State" means any State of the United States,  
13 the District of Columbia, and the Commonwealth of  
14 Puerto Rico; and

15 (5) "State educational agency" means the State  
16 board of education or other agency or officer primarily  
17 responsible for the State supervision of public elemen-  
18 tary and secondary schools, or, if there is no such offi-  
19 cer or agency, an officer or agency designated by the  
20 Governor or by State law.

21

## AUTHORIZATION

22 SEC. 4. (a)(1) There is authorized to be appropriated  
23 \$25,000,000 for the fiscal year 1984, and for each succeed-  
24 ing fiscal year ending prior to October 1, 1986, to enable the



## 4

1 Secretary to make grants to States in accordance with the  
2 provisions of this Act.

3 (2) Funds appropriated for any fiscal year may remain  
4 available until expended.

5 (b) The Secretary is authorized to make grants to State  
6 educational agencies and to make grants for programs of na-  
7 tional significance in accordance with the provisions of this  
8 Act.

9

## ALLOCATION

10 SEC. 5. (a)(1) In each fiscal year in which the funds  
11 appropriated pursuant to section 4(a) exceed \$15,000,000 the  
12 Secretary shall reserve 3 per centum of the funds appropri-  
13 ated for carrying out section 8.

14 (2) From the sums appropriated pursuant to section 4(a)  
15 in each fiscal year in which paragraph (1) does not apply and  
16 from the remainder of the sums appropriated pursuant to sec-  
17 tion 4(a) for each fiscal year in which paragraph (1) does  
18 apply, the Secretary shall allocate to each State \$100,000  
19 plus an amount which bears the same ratio to such sums or  
20 to such remainder, as the case may be, as population of the  
21 State in correctional institutions for the year preceding the  
22 year for which the determination is made bears to the popula-  
23 tion of all States in correctional institutions for such year.

24 (b) The amount by which any allotment of a State for a  
25 fiscal year under subsection (a) exceeds the amount which the

## 5

1 Secretary determines will be required for such fiscal year for  
2 applications approved under section 7 within such State shall  
3 be available for reallocation to other States in proportion to  
4 the original allotments to such States under subsection (a) for  
5 that year, but with such proportionate amount for any such  
6 State being reduced to the extent it exceeds the sum the  
7 Secretary estimates such State needs and will be able to use  
8 for such year. The total of such reduction shall be similarly  
9 reallocated among the States whose proportionate amounts  
10 were not so reduced. Any amount reallocated to a State under  
11 this subsection during a fiscal year shall be deemed part of its  
12 allotment under subsection (a) for such year.

13 (c) No sums appropriated pursuant to section 4(a) shall  
14 be used for purposes inconsistent with the Juvenile Justice  
15 and Delinquency Prevention Act of 1974.

16 USES OF FUNDS

17 SEC. 6. Grants made under this Act to States may be  
18 used, in accordance with applications approved under section  
19 7, for the cost of educational programs for criminal offenders  
20 in correctional institutions, including—

21 (1) academic programs for—

22 (A) basic education with special emphasis on  
23 reading, writing, vocabulary, and arithmetic;

24 (B) special education programs as defined by  
25 State law;

1 (C) bilingual or bicultural programs for mem-  
2 bers of minority groups;

3 (D) secondary school credit programs;

4 (E) postsecondary programs;

5 (F) fine arts programs;

6 (G) recreation and health programs; and

7 (H) curriculum development for the programs  
8 described in this paragraph;

9 (2) standard and innovative vocational training  
10 programs;

11 (3) library development and library service pro-  
12 grams;

13 (4) training for teacher personnel specializing in  
14 correctional education, particularly training in social  
15 education, reading instruction, and abnormal psycholo-  
16 gy;

17 (5) educational release programs for criminal of-  
18 fenders, with special attention given to vocational work  
19 release training programs;

20 (6) guidance programs, including testing, prepara-  
21 tion, and maintenance of case records for criminal of-  
22 fenders, counseling, psychological evaluation, and  
23 placement services;

24 (7) supportive services for criminal offenders, with  
25 special emphasis upon job placement services and co-

1 ordination of educational services with other agencies  
2 furnishing services to criminal offenders after their re-  
3 lease; and

4 (8) cooperative programs with business concerns  
5 designed to provide job training for criminal offenders.

6 APPLICATION

7 SEC. 7. (a) A State desiring to receive a grant under  
8 this Act shall submit an application to the Secretary contain-  
9 ing or accompanied by such information as the Secretary  
10 deems reasonably necessary, with such annual revisions as  
11 are necessary. Each such application shall—

12 (1) provide that the programs and projects for  
13 which assistance under this Act is sought will be ad-  
14 ministered by, or under the supervision of, the State  
15 educational agency;

16 (2) set forth a program for carrying out the pur-  
17 poses set forth in section 6 and provide for such meth-  
18 ods of administration as are necessary for the proper  
19 and efficient operation of the program;

20 (3) provide assurances that no person with respon-  
21 sibilities in the operation of such program will discrimi-  
22 nate with respect to any program participant or any  
23 employee in such program because of race, color,  
24 creed, national origin, sex, political affiliation or beliefs;

1           (4) provide assurances that funds received under  
2       this Act will be used only to supplement, and to the  
3       extent practical increase, the level of funds that would,  
4       in absence of such Federal funds, be made available  
5       from regular non-Federal sources for the purposes de-  
6       scribed in section 6, and in no case may such funds be  
7       used to supplant funds from non-Federal sources; and

8           (5) provide for a three-year report to the Office of  
9       Education containing a description of the activities as-  
10      sisted under this Act together with a description of  
11      evaluation programs designed to test the effectiveness  
12      of education programs assisted under this Act.

13          (b) Each application made under this Act may be ap-  
14      proved by the Secretary if the Secretary determines that the  
15      application meets the requirements set forth in this Act.

16                   PROGRAMS OF NATIONAL SIGNIFICANCE

17          SEC. 8. (a) From funds reserved pursuant to section  
18      5(a)(1), the Secretary is authorized to make grants to State  
19      and local educational agencies, institutions of higher educa-  
20      tion, State correctional agencies, and other public and private  
21      nonprofit organizations and institutions to meet the costs of  
22      programs of national significance which the Secretary deter-  
23      mines give promise of improving the education of criminal  
24      offenders.

1 (b) No grant may be made under this section unless an  
2 application is made to the Secretary at such time, in such  
3 manner, and containing such information as the Secretary  
4 deems reasonably necessary.

5 PAYMENTS AND WITHHOLDING

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7 has an application approved under this Act an amount equal  
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9 section 8(b).

10 (b) Whenever the Secretary, after giving reasonable  
11 notice and opportunity for hearing to a State under this Act,  
12 finds—

13 (1) that the program or project for which assist-  
14 ance under this Act was made has been so changed  
15 that it no longer complies with the provisions of this  
16 Act; or

17 (2) that in the operation of the program or project  
18 there is failure to comply substantially with any such  
19 provision;

20 the Secretary shall notify such State or grantee, as the case  
21 may be, of the findings, and no further payments may be  
22 made to such State or grantee, as the case may be, by the  
23 Secretary until the Secretary is satisfied that such noncompli-  
24 ance has been, or will promptly be, corrected. The Secretary  
25 may authorize the continuance of payments with respect to

- 1 any projects pursuant to this Act which are being carried out
- 2 by a State and which are not involved in the noncompliance.

## APPENDIX II (C)

*Office of*

## CONGRESSMAN JOHN CONYERS, JR.

*First District, Michigan*

1981 PRINTED AT GOVERNMENT EXPENSE

For Immediate Release  
 Friday, July 29, 1983  
 Contact: (202)225-5126

CONYERS INTRODUCES BILL TO EXPAND REHABILITATION SERVICES IN PRISONS

Washington, D.C.-- Congressman John Conyers, Jr. (D-MI) has introduced legislation to improve the educational services and opportunities available to inmates in State and local correctional institutions.

The Federal Correctional Education Assistance Act (H.R. 3684), introduced on July 27, 1983, if enacted, would establish the first federal correctional education program administered by the Department of Education. It would authorize a \$75 million, three-year program of grants to State education agencies. The Secretary of Education would distribute funds to all States on the basis of inmate populations. Grants could be used for all types of education and training, including basic, secondary, and postsecondary education; vocational training; job training and placement services; teacher training; and library development.

"On any given day this year, some 2.5 million men, women and children in the U.S. will be under some type of correctional supervision," Cong. Conyers observed. "614,000 individuals are in jails, prisons, and juvenile correctional facilities. The United States ranks third behind South Africa and the Soviet Union in the percentage of its citizens who are behind bars.

"Equally scandalous is the inhumane treatment of inmates-- the terrible overcrowding, the boredom and idleness, and the failure to provide inmates with the resources with which to develop knowledge, skills, and self-respect.

"Nearly \$8 billion annually is spent on Federal, State, and local correctional institutions and the average cost to maintain an inmate is \$15,000 a year. Only 5% of the total State correctional budgets, on the average, goes toward education or training. Just over one-third of the inmate population is enrolled in education, even though study after study has shown that recidivism among inmates who have received education or training is significantly lower than among inmates who have not.

"Under the present system, correctional institutions have to compete with school districts for scarce State education funds. This legislation will put them on a stronger footing to obtain the educational resources that inmates require."

An identical bill, S.625, has been introduced in the Senate by Senator Claiborne Pell (D-RI).



## APPENDIX II (D)

JOHN CONYERS, JR.  
1ST DISTRICT, MICHIGAN

COMMITTEE:  
JUDICIARY

CHAIRMAN  
SUBCOMMITTEE ON CRIMINAL  
JUSTICE

GOVERNMENT OPERATIONS  
August 3, 1983

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

WASHINGTON OFFICE  
2313 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515  
PHONE: 202-225-5120

DETROIT OFFICE:  
659 FEDERAL BUILDING  
231 W. LAFAYETTE  
DETROIT, MICHIGAN 48226  
PHONE: 313-225-7022

AUG 3 1983

Hon. Robert W. Kastenmeier  
U.S. House of Representatives  
2232 Rayburn HOS  
Washington, D. C. 20515

Dear Bob:

The Federal Correctional Education Assistance Act (H.R. 3684), that I introduced on July 27, 1983, meets a very timely and important national need to expand the educational and training opportunities available to inmates in correctional institutions.

I am writing to you personally because I believe this legislation can make a real difference in the lives of a sorely neglected group of Americans and, indeed, be of great benefit to the society as a whole.

On any given day, some 2.5 million men, women, and children in the U.S. will be under some type of correctional supervision (614,000 individuals are currently incarcerated). The cost of corrections is nearly \$8 billion annually, and yet only 5% of the total State correctional budgets, as one example, are applied to inmate education or job training.

Ninety-five percent of all inmates return to society after an average sentence served of less than three years. Whereas 67% of the general population have completed at least a high school equivalent education, among the inmate population only 37% have. Illiteracy is far higher among inmates. Study after study has shown that recidivism among inmates who have received some form of educational training is significantly lower than among inmates who have not, yet just over one-third of inmates are enrolled in educational study. Neither the quantity nor the quality of existing correctional education programs comes anywhere near to meeting the needs of inmates.

H.R. 3684 would establish the first Federal correctional education program administered and funded by the Department of Education. It would authorize \$75 million over 3 years in grants to State education agencies. Funds would be distributed to all States and apportioned on the basis of inmate population. Grants could be used for basic, secondary, and postsecondary education, vocational training, job training and placement, or the upgrading of an institution's educational resources. Senator Pell has introduced an identical bill in the Senate.

If I can discuss this further with you, please let me know. If you wish to cosponsor, please contact Neil Kotler of my staff (X55126).

Sincerely,



John Conyers, Jr.  
Member of Congress

## APPENDIX II (E)



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 98<sup>th</sup> CONGRESS

Vol. 129

WASHINGTON, TUESDAY, OCTOBER 25, 1983

No. 141

## House of Representatives

### CONYERS WORKS FOR INMATE EDUCATION

HON. AUGUSTUS F. HAWKINS  
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES  
Tuesday, October 25, 1983

MR. HAWKINS. Mr. Speaker, one of the more neglected areas of support for education exists in the Nation's prisons and jails. The Nation has a considerable stake in the future of its inmate population—that exceeds 600,000 persons—since 95 percent of all inmates return to society after serving an average sentence of between 2 and 3 years. Yet correctional institutions, by and large, offer little opportunity for inmates to receive education, vocational training, and job skills that would prepare them to re-enter society in a productive way.

One proposal to strengthen inmate education has been advanced by my colleague, Congressman JOHN CONYERS. His legislation, The Federal Correction Education Act (H.R. 3684) would authorize funds for inmate education, direct the Secretary of Education to distribute funds through all State education agencies, and require that State and local correctional institutions utilize these funds for the education of their inmates.

I want to share with my colleagues at this point in the Raccoon Representative Conyers' testimony before the Senate Subcommittee on Education, Arts and Humanities during hearings on vocational and correctional education. The testimony makes a convincing argument for the strengthening of correctional education.

TESTIMONY OF HON. JOHN CONYERS, JR.—  
THE NEED FOR CORRECTIONAL EDUCATION

Mr. Chairman and Members of the Subcommittee, I am honored to appear before you today, along with the distinguished Executive Director of the Correctional Education, Dr. Osa Coffey, as well as Dr. Lane Murray, the Association's President and Superintendent of the Windham Correctional School District in Texas, and Rev. John Erwin, founder of the pioneering Pace Program for correctional education.

It also is my privilege to be the House sponsor of the Federal Correctional Education Assistance Act (H.R. 3684), designed and first introduced in the Senate by our esteemed colleague, Senator Claiborne Pell, to

provide inmates with the training and education necessary for them to lead productive lives in society.

All of us are brought together out of a deep concern for a sorely neglected group of Americans—the more than 600,000 inmates of Federal, State, and local correctional institutions and the even larger group, estimated at 2.2 million individuals, who are at any given time under some form of correctional supervision.

The Subcommittees on Crime and Criminal Justice that I have chaired held a number of hearings in the past several years on the relationship between crime and unemployment. The record of these hearings has forcefully demonstrated the recurring link between unemployment, the lack of job experience and the absence of employable skills, on the one hand, and the persistence and increase of criminal behavior, on the other. The failure, by and large, of Federal, State, and local governments and of correctional institutions to make available to inmates adequate correctional education figures prominently in this equation.

The Nation has a great stake in the future of its inmate population since 95 percent of all inmates return to society after serving an average sentence of 2 to 3 years. Yet, tragically, some 60 percent of released offenders wind up back in the jails and prisons.

I am here to suggest that a relatively modest commitment of additional resources to train and educate inmates so that they would be employment ready upon release would go a long way toward their rehabilitation. In particular, the mandating of vocational education funds for inmates, as part of the reauthorization of the Vocational Education Act, also would reduce the tremendous fiscal and social costs that accompany incarceration and recidivism. These costs not only include the billions of dollars spent to maintain and expand correctional facilities, but also the costs of public assistance to inmate families and the costs to society of the social disorder that criminal behavior generates.

At the present time, the correctional system, that embraces 931 State prisons, 49 Federal facilities, 3,500 local jails and 2,600 juvenile retention centers, is costing in excess of \$8 billion annually. The rate of growth in the inmate population and in correctional expenditures is truly astounding. Yet what are we getting for this spending?

Prison overcrowding is getting worse. Violence in our correctional institutions, including an upsurge in rioting, is on the rise. This past year alone 110 homicides and 138 suicides have occurred in the prisons. The overcrowding, combined with the inactivity

and boredom prevailing in most facilities, constitutes an explosive condition.

The great majority of inmates are male, poor, undereducated, and lacking in any substantial job skills or work experience. Forty-seven percent are black. Sixty-three percent never finished high school. Nearly half were unemployed at the time of their arrest. A majority are learning disabled.

For the most part, correctional institutions offer few opportunities for education, job training, or building marketable skill. Very few institutions offer transitional services that prepare inmates to re-enter society. On the average, the States spend less than 5 percent of their correctional budgets on inmate education. As a result, less than one-third of the inmate population is engaged in educational programs—most of which are meager at best—and only 12.5 percent are involved in vocational programs.

As long as society refuses to define the goals of incarceration in terms of rehabilitation, the existing conditions can only get worse. It is commonly acknowledged by correctional officials that prisons today serve as little more than open classrooms for the propagation of criminal learning. What the Education Commission of the States reported in 1976 holds true today: "It is obvious that to the extent that offenders cannot use knowledge and skill obtained from the normal society, they will use knowledge and skill obtained from deviant cultures to cope in whatever way they can."

The glaring gap between inmate needs and resources has not gone unnoticed by the highest ranking law enforcement officials in the nation. Chief Justice Warren Burger has long championed correctional education as "a common sense application of the concept of society's collective self-interest." Two years ago, in response to the findings of the National Advisory Council on Vocational Education, Justice Burger warned: "Without any positive change, including learning marketable job skills, a depressing number of (inmates) . . . will return to a life of crime after their release. One small but practical positive step is the introduction of mandatory educational and vocational programs for all inmates."

Numerous studies have demonstrated that correctional education, especially vocationally-oriented, leads to tangible, positive results. A study of inmate education in Texas, for example, found that the recidivism rate among offenders enrolled in an educational program was half the rate among those who did not participate. A study of Virginia's Correctional Center for Women found that the recidivism rate diminished in relation to the extent of training and education that

Inmates received. Whereas the general inmate population in that institution had a repeater rate of 34 percent, the inmates who had completed a business education program had a rate of only 4 percent. An Ohio study indicated that the longer an inmate is involved in education and training, the less likely he or she will become a repeater. These studies emphasize the importance of the quality and content of correctional education. Programs that offer inmates practical, marketable skills have proved to be the most successful. The National Center for Research in Vocational Education has identified the Somers Correctional Institution in Connecticut as having one of the most successful vocational education programs. Upon release 75% of its inmate participants found employment. During their enrollment, motivation and achievement dramatically improved.

The Federal Bureau of Prisons has developed a well-organized correctional education program that has shown high enrollment, positive inmate evaluation, and successful outcomes. Unfortunately, few States have had either the disposition or the resources to develop programs on their own. A letter I recently received from Benjamin Groomes, education director of the State of Florida's Corrections Department, cogently summarizes the problem in correctional education that has been cited in numerous other communications from state correctional officials. Groomes writes in an October 5th letter: "Florida Correctional System is presently the third largest in the country. Approximately 58% of those incarcerated do not possess a high school diploma with more than 60% not having a marketable skill. While there have been strong efforts by the Department to provide educational services, we have been unable to acquire the level of resources appropriate to the need."

The most effective correctional education system appears to exist in only eight States that have created correctional school districts and that are able directly to utilize federal education assistance in their institutions. Even in these States, however, correctional facilities are forced to compete with the schools for scarce resources.

Outside of these States, the only substantial Federal assistance derives from Chapter 1 of the Education Consolidation and Improvement Act of 1981 and the Education

for Handicapped Children Act of 1977. The former only provides supplemental education funds for inmates under the age of 21. The latter basically provides only diagnostic services for juvenile offenders.

In general, there are numerous obstacles in the way of adequate inmate educational assistance. The Vocational Education Act authorizes, but does not mandate, inmate education. There is no uniform definition or set of standards governing inmate education. As a result, the National Advisory Council on Vocational Education found that only 5 States provide comprehensive and thorough vocational programs for inmates. The widespread lack of cooperation between State education agencies and correctional facilities hampers positive action. Correctional officials also have difficulty dealing with the maze of rules and regulations in Federal assistance programs.

The few Federal programs that deal specifically with State and local correctional facilities are badly understaffed. The National Institute of Corrections (NIC) has recently undertaken a joint demonstration program with the Department of Education, but has assigned only a single staff aide to correctional education. NIC focuses its assistance on prison maintenance rather than inmate education.

In 1979 the Comptroller General reported to Congress that "most States could use Federal assistance programs to help improve curriculum materials and implementation of the education and training programs in their correctional institutions." GAO recommended the targeting of Vocational Education Act assistance for the development of screening and evaluation of inmates' educational needs, the creation of uniform curricula in correctional education, and the prioritizing of vocational and on-the-job training.

In its March, 1981 report, "Vocational Education in Correctional Institutions," the National Advisory Council on Vocational Education recommended that Congress (a) "include in the VEA reauthorization language and policy assuring correctional programs access to funding and services under all provisions of the Act," (b) that "Federal funds, either through the VEA or additional legislation, should be made available to upgrade and expand existing facilities and equipment used in correctional vocational

education," (c) that "(such) funds be administered by the state education agency rather than sent directly to correctional agencies, and (d) that "the U.S. Department of Education should establish an Office of Correctional Education."

The Federal Correctional Education Assistance Act would accomplish these purposes. It authorizes \$25 million annually for a three-year period for the implementation of a number of correctional education programs, with an emphasis on vocational education and training. It also would include basic education, transitional services such as counseling and job placement, and cooperative programs with private industry for on-the-job training. The program would be administered by the Secretary of Education and funds would be distributed to State education agencies in all States on the basis of their inmate populations. The bill would mandate that the funds be spent solely on inmate education and this mandate would be closely supervised by the Secretary. I am pleased to report that in the relatively brief time since the bill's introduction, 34 Members of the House are sponsors, including the two chairmen of the Subcommittees under whose jurisdiction the legislation falls.

While I am confident that support for this legislation will continue to grow, it is essential now to take steps to reverse the current situation in our jails and prisons and begin to commit solid resources to State and local correctional institutions for the training and education of inmates. Enough models and tested programs now exist to guide the implementation of this Federal program.

I urge the Subcommittee to consider setting aside certain funds for the sole purpose of correctional education, as it undertakes reauthorization of the Vocational Education Act.

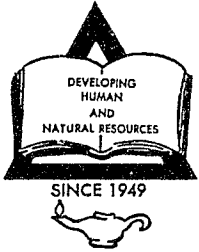
It is time now to acknowledge that the goal of merely segregating offenders from society and ignoring their future needs upon release is neither viable nor desirable. It is time for Congress to make a solid commitment to inmate rehabilitation with the expectation that upon release the great majority of inmates will have acquired the skills, training and knowledge that will permit them to be gainfully employed and to lead productive lives in society.

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

Official Business

*John Dingell*  
M.C.

## APPENDIX II (F)



COAHOMA JUNIOR COLLEGE  
AND AGRICULTURAL HIGH SCHOOL  
OFFICE OF THE PRESIDENT  
Route 1 -- Box 616  
CLARKSDALE, MISSISSIPPI 38614

October 12, 1983

DR. MCKINLEY C. MARTIN  
President

Mr. Robert W. Kastenmeier (D-Wis, 2nd)  
2232 RHOB  
Washington, D.C. 20515

Dear Mr. Kastenmeier:

I have initiated this correspondence in regard to the bill pending as H.R. 3684 in the House Judiciary Committee.

The purpose of this bill has paramount significance for the correctional system in the state of Mississippi as well as the other great states of this nation. Your role, as a member of the above House Committee, is critical for the future of this much needed legislation. Therefore, I solicit your valuable support of this bill and ask that you be instrumental in assuring that the bill successfully passes through the House Judiciary Committee.

I am confident that you are sensitive to the importance of this bill and will lend your support.

Respectfully,

McKinley C. Martin

## APPENDIX II (G)

State of Michigan

Corrections  
Commission

Green Andrew, Ph.D.  
G. Robert Gorton, Ph.D.  
Thomas K. Eardley, Jr.  
Don P. LeDuc  
Diane L. Waters M.D.

James Blanchard, Governor

## Department of Corrections

Stevens T. Mason Building, Lansing, Michigan 48909

Perry M. Johnson, Director

December 13, 1983

MICHIGAN TRAINING UNIT  
IONIA, MICHIGAN 48846

The Honorable Robert W. Kastenmeier  
2232 Rayburn House Office Building  
Washington, D. C. 20515

Re: Federal Correctional Education Assistance Act

Dear Representative Kastenmeier:

As the chief administrator for a medium security correctional facility, housing adult male felons under 21 in the State of Michigan, I, along with our parent agency, the Michigan Department of Corrections, support Senate Bill 615 and the identical House Bill, H.R. 3684, entitled, "The Federal Correctional Education Assistance Act." These bills are currently pending in the various Senate and House Committees. I recommend that you support the passing of these bills. This is an excellent opportunity for the Federal Government to make a commitment in policy and practice to correctional educational programs throughout the nation. Faced with drastic reduction in appropriated funds on the state level, these bills will provide needed resources for correctional education programs.

Grant funds received through the proposed Federal Correctional Education Assistance Act could be utilized for the following possible applications:

1. To evaluate our vocational programs in terms of providing potential employment opportunities consistent with the needs of the community.
2. To provide and update prisoner school facilities enabling us to increase our academic and vocational enrollments.
3. To improve educational and social services for special education prisoners.
4. Expand library development and hours of operation.

Please consider this letter as part of the official record in support of Senate Bill 615 and House Bill, H.R. 3684.

Very truly yours,

MICHIGAN TRAINING UNIT

*Richard A. Handlon*  
Richard A. Handlon  
Superintendent

RAH/AJJ/mp

This document is for with State funds.

## APPENDIX II (H)

State of Michigan



JAN 17 1983

Corrections  
CommissionGwen Andrew, Ph.D.  
G. Robert Cotton, Ph.D.  
Thomas K. Earley, Jr.  
Don P. LeDuc  
Duane L. Waters M.D.

James Blanchard, Governor

## Department of Corrections

Sevens T. Mason Building, Lansing, Michigan 48909  
Perry M. Johnson, DirectorMUSKEGON CORRECTIONAL FACILITY  
2400 South Sheridan  
Muskegon, Michigan 49442

December 16, 1983

The Honorable Robert W. Kastenmeier  
2232 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representative Kastenmeier:

I would like to express the support of the Muskegon Correctional Facility for Senate Bill 615 and the identical House Bill, H.R. 3684, entitled, "The Federal Correctional Education Assistance Act." These bills are now pending in various Senate and House Committees. I recommend that you support the passing of these bills. This is an excellent opportunity for the Federal Government to support and make a commitment in policy and practice to correctional education programs which decreasing state funds cannot adequately meet.

Approximately 90 percent of the prisoners of the Muskegon Correctional Facility are involved in some type of educational program. We could utilize grant funds received through the proposed Federal Correctional Education Assistance Act for the following possible applications: (1) Development of a needs assessment plan regarding the training needs of correctional education staff members; (2) Evaluate our vocational programs in terms of providing potential employment opportunities; (3) Update and revise our vocational programs; and (4) Provide and update prison school facilities which would enable us to increase our academic and vocational enrollments.

Please consider this letter as a part of the official record in support of Senate Bill 615 and H.R. 3684.

Sincerely,

Bruce Courim, Principal  
Muskegon Correctional Facility

BC:kic

## APPENDIX II (I)

State of Michigan



## Corrections

## Commission

Gwen Andrew, Ph.D.  
G. Robert Cotton, Ph.D.  
Thomas K. Eardley, Jr.  
Don P. LeDuc  
Duane L. Waters M.D.

James Blanchard, Governor

## Department of Corrections

Stevens T. Mason Building, Lansing, Michigan 48909  
Perry M. Johnson, Director

MUSKEGON CORRECTIONAL FACILITY  
2400 South Sheridan  
Muskegon, Michigan 49442

December 16, 1983

The Honorable Robert W. Kastenmeier  
2232 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representative Kastenmeier:

I would like to express the support of the Muskegon Correctional Facility for Senate Bill 615 and the identical House Bill, H.R. 3684, entitled, "The Federal Correctional Education Assistance Act." These bills are now pending in various Senate and House Committees. I recommend that you support the passing of these bills. This is an excellent opportunity for the Federal Government to support and make a commitment in policy and practice to correctional education programs which decreasing state funds cannot adequately meet.

Approximately 90 percent of the prisoners of the Muskegon Correctional Facility are involved in some type of educational program. We could utilize grant funds received through the proposed Federal Correctional Education Assistance Act for the following possible applications: (1) Development of a needs assessment plan regarding the training needs of correctional education staff members; (2) Evaluate our vocational programs in terms of providing potential employment opportunities; (3) Update and revise our vocational programs; and (4) Provide and update prison school facilities which would enable us to increase our academic and vocational enrollments.

Please consider this letter as a part of the official record in support of Senate Bill 615 and H.R. 3684.

Sincerely,

H. Gary Wells, Superintendent  
Muskegon Correctional Facility

HGW:WRW:k1c

## APPENDIX II (J)

## DEPUTY WHIP

## COMMITTEES:

CHAIRMAN SMALL BUSINESS  
COMMITTEE

## SUBCOMMITTEES:

CHAIRMAN OF THE SUBCOMMITTEE ON  
SBA AND SBC AUTHORITY, MINORITY  
ENTERPRISE AND GENERAL SMALL  
BUSINESS PROBLEMSBANKING, FINANCE AND  
URBAN AFFAIRS COMMITTEE

## SUBCOMMITTEES:

HOUSING

JOINT ECONOMIC COMMITTEE

## SUBCOMMITTEES:

INVESTMENT, JOBS AND PRICES  
TRADE, PRODUCTIVITY AND ECONOMIC  
GROWTHPARREN J. MITCHELL  
7TH DISTRICT, MARYLANDCongress of the United States  
House of Representatives  
Washington, D.C. 20515

December 21, 1983

## CONGRESSIONAL BLACK CAUCUS

CHAIRMAN OF THE SUBCOMMITTEE ON  
MINORITY ENTERPRISE, ECONOMIC  
DEVELOPMENT AND HOUSING

## OFFICE ADDRESSES:

## DISTRICT OF COLUMBIA OFFICE:

2387 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515  
(202) 225-4741

## BALTIMORE DISTRICT OFFICE:

GEORGE FALLON FEDERAL BUILDING  
ROOM 1018  
31 HOPKINS PLAZA  
BALTIMORE, MARYLAND 21201  
(301) 882-32231903 BLOOMINGDALE ROAD  
BALTIMORE, MARYLAND 21218  
(301) 802-4831

Honorable Robert W. Kastenmeier  
Chairman, Subcommittee on Courts,  
Civil Liberties, and the  
Administration of Justice  
Court on the Judiciary  
2137 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Kastenmeier:

It is my understanding that H.R. 3684, "The Federal  
Correctional Education Assistance Act," has been referred  
to your Subcommittee. As a co-sponsor of this measure, I am  
urging strongly that hearings be held and favorable action be  
taken early in the upcoming session.

In my state of Maryland, we have prioritized the critical  
matter of education for those incarcerated. In fact, the  
Governor's Task Force on Correctional Rehabilitation has issued  
a report which urges greater efforts in this area.

Needless to say, the plight to educate prisoners in Mary-  
land continues courageously under severe budget constraints.  
While a degree of success has been noted, only 22 percent of  
the inmate population is being served.

Please give this bill your highest consideration and pro-  
mote efforts for your Subcommittee to take favorable action  
in this area.

Sincerely,

*P.J.M.*  
Parren J. Mitchell  
Member of Congress

PJM:ahd



## APPENDIX II (K)

State of Michigan

Corrections  
Commission

Erwin Andrew, Ph.D.  
G. Robert Cotton, Ph.D.  
Thomas K. Farley, Jr.  
Don P. Lefbur  
Duane L. Waters, M.D.

James Blatchard, Governor

## Department of Corrections

Stevens T. Mason Building, Lansing, Michigan 48909  
Perry M. Johnson, Director

MICHIGAN TRAINING UNIT  
IONIA, MICHIGAN 48846

December 23, 1983

Representative Robert W. Kastenmeier  
2232 RHOB  
Washington, D. C. 20515

Re: Federal Correctional Education Assistance Act

Dear Representative Kastenmeier:

As Director of Prisoner Services, at the Michigan Training Unit, Ionia, Michigan, I am very cognizant of the dwindling state resources available for Correctional Education Programs. To enhance the prospects of our prisoners becoming productive members of society we need to evaluate and upgrade our academic, vocational, and socialization programs. We also need to provide staff with in-service training because of the unique problems in dealing with a prison population.

The proposed Federal Correctional Education Assistant Act, S-615, and HR 3684, would provide funds to achieve these goals. With the rapidly growing prison population, dwindling state resources, and aging facilities, I am desperately worried that institutions will become simple "warehouses" for prisoners. Computer innovations that are now available, but take financing, would greatly enhance our programs.

We sincerely hope these Bills get favorable action. Thank you for your concern.

Very truly yours,

MICHIGAN TRAINING UNIT

A handwritten signature in cursive script that reads "Robert H. Miller".

Robert H. Miller  
Director of Prisoner Services

RHM/dm

## APPENDIX II (L)

State of Michigan



James Blanchard, Governor

## Department of Corrections

Sevens T. Mason Building, Lansing, Michigan 48909

Perry M. Johnson, Director

MICHIGAN TRAINING UNIT  
JONIA, MICHIGAN 48846

December 27, 1983

Corrections  
CommissionGwen Andrews, Ph.D.  
G. Robert Cotton, Ph.D.  
Thomas B. Eardley, Jr.  
Don P. LeDuc  
Diane L. Waters M.D.Representative Robert W. Kastenmeier  
2232 RHOB  
Washington, D. C. 20515

Re: Federal Correctional Assistance Act

Dear Representative Kastenmeier:

I would like you to support Senate Bill 615 and the identical House Bill H. R. 3684. As a correctional educator, I am delighted that the federal government is recognizing the unique needs of incarcerated persons. Correctional education is caught in a real money crunch. Dwindling state dollars are directed to the needs of public education and opportunities for private and/or grant funding are poor for penal institutions. Yet with the increase in the numbers of people sent to prison each year, our need for funding is increasing.

At the Michigan Training Unit, we have experienced a radical change in both our prisoner population and their educational needs over the past decade. Up until the early 1970's our men were largely high school students who had a real possibility of completing high school requirements and graduation. Our vocational programs, consequently, were designed for these men who could benefit from learning skilled trades which they could use in an industrial society. The Training Unit's present population is made up of a large number of men (over 300) who are either special education students or are in need of highly individualized instructional programs. To meet the needs of these men, we have changed our academic programs. We have moved from a high school orientation to an individualized General Education Development (GED) continuum which stresses basic reading, math and English. However, our classes still operate in a 20:1 student to teacher ratio. Consequently, there is little opportunity for students to receive the individualized instruction their needs demonstrate. If there were funds available, para-professionals could be hired to assist as tutors to the students and aides to the teachers. Our classrooms, too, were designed to serve as high school classrooms. We need to convert them into individualized learning labs and there is no possibility of doing this with our present funding level. Our vocational situation is worse. We are, in some of our trades, preparing men for jobs which may not exist or for which they can not meet the minimum qualifications. Sadly, we lack the funds either to modify our existing programs to meet the needs of our men or to start additional vocational programs which are designed for the future.

Passage of these two bills would thrust new life and hope into correctional education. Thank you for your consideration and support for S-615 and H. R. 3684.

Sincerely,

Judith Kalmanek  
Coordinator of Adult Education

JK/dm

## APPENDIX II (M)

State of Michigan



JAN 6 1984

Corrections  
Commission

Gwen Andrew, Ph.D.  
G. Robert Cotton, Ph.D.  
Thomas N. Earley, Jr.  
Don P. LeDuc  
Duane L. Waters, M.D.

James Blanchard, Governor

## Department of Corrections

Sevens T. Mason Building, Lansing, Michigan 48909

Perry M. Johnson, Director

December 29, 1983

## MICHIGAN REFORMATORY

Lock Box 500  
Ionia, Michigan 48846  
Telephone: 616-527-2500

The Honorable Robert W. Kastanmeier  
2232 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representative Kastanmeier:

I would like to express the support of the Michigan Reformatory for Senate Bill 615 and the identical House Bill, H.R. 3684, entitled, "The Federal Correctional Education Assistance Act." These bills are now pending in various Senate and House Committees. I recommend that you support the passing of these bills. This is an excellent opportunity for the Federal Government to support and make a commitment in policy and practice to correctional education programs in the State of Michigan. These two bills will provide needed resources for correctional education programs which decreasing state funds cannot adequately meet.

The Michigan Reformatory, located in Ionia, Michigan, has an average daily prisoner population of 1,183 with approximately 500 prisoners attending various school programs. We could utilize grant funds received through the proposed Federal Correctional Education Assistance Act for the following possible applications: (1) Development of a needs assessment plan regarding the training needs of correctional education staff members; (2) Evaluate our vocational programs in terms of providing potential employment opportunities; (3) Update and revise our vocational programs; and (4) Provide and update prison school facilities which would enable us to increase our academic and vocational enrollments.

Please consider this letter as part of the official record in support of Senate Bill 615 and H.R. 3684.

If you have any questions, please contact me at (616) 527-2500.

Sincerely yours,

*John Jabe*  
John Jabe  
Warden  
Michigan Reformatory

JJ:bjp

## APPENDIX II (N)

JOHN CONYERS, JR.  
1ST DISTRICT, MICHIGAN

COMMITTEE:  
JUDICIARY  
CHAIRMAN  
SUBCOMMITTEE ON CRIMINAL  
JUSTICE  
GOVERNMENT OPERATIONS

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

WASHINGTON OFFICE:  
2313 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515  
PHONE: 202-225-8118

DETROIT OFFICE:  
669 FEDERAL BUILDING  
231 W. LAFAYETTE  
DETROIT, MICHIGAN 48226  
PHONE: 313-225-7022

January 4, 1984

The Honorable Robert W. Kastenmeier  
Chairman  
Subcommittee on Courts, Civil  
Liberties and the Administration of Justice  
2137 Rayburn House Office Building  
Washington, D.C.

Dear Mr. Chairman:

I would appreciate your giving consideration to a hearing before your Subcommittee on the Federal Correctional Education Assistance Act (H.R. 3684). The legislation has won the strong support of the Correctional Education Association. Currently, it has 49 House sponsors, and I am pleased that you are among them. Clayborne Pell has introduced an identical bill in the Senate.

The legislation has generated considerable support around the nation, including the approval of leaders in the field of corrections. Interest is intensified because of the reauthorization this year of the Vocational Education Act, which has always provided authority for correctional education programs but never any appropriations. This year Senator Pell will introduce reauthorization legislation that includes a set-aside for this purpose.

I believe the deteriorating condition of jails and prisons, the lack of educational and training resources for inmates, as well as the considerable State and local support for the legislation are grounds for legislative action. There is reason to think that this year may be a critical one in advancing the conditions of the more than 600,000 inmates in the nation as well as the nation's interest in their future.

I look forward to having your view on this matter, and appreciate its consideration.

Sincerely,

  
John Conyers, Jr.

## APPENDIX II (O)

### NATIONAL FORUM ON CORRECTIONAL EDUCATION

April 3, 1984  
2:00 - 5:00 P.M.  
Room 2237  
Rayburn House Office Building  
Washington, D.C. 20515

#### Agenda

Introductory Remarks	Senator Claiborne Pell, Rhode Island Congressman John Conyers, Jr., Michigan  (Introduced by Alan Husband, President, Correctional Education Association, CEA)
Remarks	Congressman Dale E. Kildee, Michigan  (Introduced by Steven L. Swisher, Director, CEA Region 2)
Address -	Dr. Gary L. Jones, Under Secretary, U.S. Department of Education  (Introduced by Dr. Lane Murray, Superintendent, Windham School District; President-Elect, CEA)
Address -	Dr. Sherman Day, Dean, College of Education, Georgia State University; past Director, National Institute of Corrections
"Education Programs for Inmates -- A National Concern? A National Responsibility?"	(Introduced by Alan Tudor, Director, CEA Region 8)

**Note:** Chief Justice Warren E. Burger has indicated his interest in this forum and his hopes that, despite a very heavy schedule, he will be able to make a brief appearance and make a few remarks.

**Panel and General Discussion:**

"Correctional Education --  
Avenues for Change"

**Moderator:**

Neil Kotler; Legislative Assistant to  
Congressman John Conyers, Jr.

**Panelists:**

Raymond Brown; Director, National In-  
stitute of Corrections (NIC)

David V. Evans; Professional Staff Mem-  
ber; Senate Subcommittee on Education,  
Arts, and Humanities

Sharon Johnson; Superintendent; Maryland  
Correctional Institution for Women

Richard T. Mulcrone; General Manager,  
Corrections Systems Division; Control  
Data Corporation

John W. Smith; Senior Professional Staff  
Assistant, House Committee on Education  
and Labor

Anthony P. Travisono; Executive Director;  
American Correctional Association

Dr. Bruce I. Wolford; Associate Professor  
of Correctional Services, Eastern Kentucky  
University; Director, CEA Region 3

**Closing Remarks:**

"Call to Action "

Dr. Osa D. Coffey, Executive Director, CEA

**R E C E P T I O N**

A wine and cheese reception--  
hosted by the Correctional Education Association  
and the American Correctional Association--  
will be held in Room 2203 Rayburn House Office Building  
immediately after the Forum.

1979 CENSUS OF STATE ADULT CORRECTIONAL FACILITIES

TOTALS FOR VARIOUS CATEGORIES

STATE	NUMBER OF INSTITUTIONS	NUMBER OF MALE INMATES	NUMBER OF FEMALE INMATES
ALABAMA	21	3,599	232
ALASKA	9	553	39
ARIZONA	9	3,122	155
ARKANSAS	7	2,917	98
CALIFORNIA	32	21,481	1,264
COLORADO	9	2,163	78
CONNECTICUT	10	3,692	139
DELAWARE	6	1,311	59
DISTRICT OF COLUMBIA	8	2,237	8
FLORIDA	77	18,740	814
GEORGIA	25	8,884	567
HAWAII	9	710	47
IDAHO	3	778	23
ILLINOIS	21	11,258	369
INDIANA	16	5,474	198
IOWA	15	2,118	84
KANSAS	8	2,130	84
KENTUCKY	10	3,533	147
LOUISIANA	7	6,391	220
MAINE	5	665	19
MARYLAND	18	7,713	248
MASSACHUSETTS	19	2,618	94
MICHIGAN	40	13,553	465
MINNESOTA	7	1,969	61
MISSISSIPPI	10	2,272	117
MISSOURI	9	5,024	165
MONTANA	2	703	0
NEBRASKA	8	1,132	61
NEVADA	6	1,445	102
NEW HAMPSHIRE	3	299	0
NEW JERSEY	9	5,729	190
NEW MEXICO	5	1,474	37
NEW YORK	33	18,848	578
NORTH CAROLINA	84	14,123	609
NORTH DAKOTA	2	233	2
OHIO	13	12,756	606
OKLAHOMA	21	4,283	198
OREGON	10	2,843	132
PENNSYLVANIA	24	7,374	258
RHODE ISLAND	6	724	17
SOUTH CAROLINA	32	6,748	313
SOUTH DAKOTA	2	563	24
TENNESSEE	13	6,241	281
TEXAS	17	25,157	1,133
UTAH	5	974	59
VERMONT	6	370	6
VIRGINIA	42	7,986	310
WASHINGTON	12	3,719	165
WEST VIRGINIA	7	1,225	38
WISCONSIN	16	3,214	139
WYOMING	3	455	27
UNITED STATES	791	263,483	11,080

[The selected tables attached are drawn from the 1979 Census Bureau Survey of Adult Correctional Facilities and the correctional education programs available, if any, by State. The tables deal with the total number of adult correctional institutions and inmates by State, vocational-technical, secondary, and basic adult education programs, and numbers of degrees awarded to inmates by State. Surveys are done every 5 years and the next one begins in June, 1984. The data was compiled for the Congressional Research Service under contract with the Inter-University Consortium for Political and Social Research at the University of Michigan.]

1979 CENSUS OF STATE ADULT CORRECTIONAL FACILITIES

<u>VOCATIONAL TECHNICAL PROGRAM</u>	<u>PERCENT OF</u>	<u>NUMBER OF MALES</u>	<u>% OF TOTAL MALE</u>	<u>NUMBER OF FEMALES</u>	<u>% OF TOTAL FEMALE</u>
<u>STATE</u>	<u>INSTITUTIONS</u>	<u>IN PROGRAM</u>	<u>INMATE POPULATION</u>	<u>IN PROGRAM</u>	<u>INMATE POPULATION</u>
<u>WITH PROGRAM</u>					
ALABAMA	42.9	407	11.3	60	25.8
ALASKA	33.3	35	6.3	0	0.0
ARIZONA	66.7	646	20.7	10	6.5
ARKANSAS	57.1	68	2.3	12	12.2
CALIFORNIA	43.8	2,875	13.4	69	5.5
COLORADO	22.2	65	3.0	0	0.0
CONNECTICUT	70.0	193	5.2	64	46.0
DELAWARE	37.3	83	6.3	0	0.0
DISTRICT OF COLUMBIA	50.0	187	8.4	0	0.0
FLORIDA	36.4	2,801	14.9	175	21.5
GEORGIA	52.0	1,452	16.3	141	24.9
HAWAII	22.2	24	3.4	0	0.0
IDAH0	33.3	0	0.0	20	87.0
ILLINOIS	57.1	1,017	9.0	38	10.3
INDIANA	62.5	396	7.2	68	34.3
IOWA	60.0	395	18.6	11	13.1
KANSAS	62.5	318	14.9	25	29.8
KENTUCKY	80.0	241	6.8	100	68.0
LOUISIANA	42.9	256	4.0	0	0.0
MAINE	60.0	139	20.9	2	10.5
MARYLAND	50.0	477	6.2	47	19.0
MASSACHUSETTS	73.7	193	7.4	32	34.0
MICHIGAN	42.5	1,348	9.9	3	0.6
MINNESOTA	42.9	153	7.8	13	21.3
MISSISSIPPI	30.0	6	0.3	0	0.0
MISSOURI	55.6	280	5.6	24	14.5
MONTANA	100.0	65	9.2	0	0.0
NEBRASKA	50.0	159	14.0	11	18.0
NEVADA	66.7	199	13.8	13	12.7
NEW HAMPSHIRE	33.3	36	12.0	0	0.0
NEW JERSEY	77.8	665	11.6	62	32.6
NEW MEXICO	40.0	103	7.0	0	0.0
NEW YORK	9.1	953	5.1	0	0.0
NORTH CAROLINA	54.6	1,803	13.5	122	20.0
NORTH DAKOTA	50.0	14	6.0	0	0.0
OHIO	61.5	538	4.2	70	11.6
OKLAHOMA	42.9	189	4.4	5	2.5
OREGON	60.0	291	10.2	7	5.3
PENNSYLVANIA	58.3	950	12.9	153	59.3
RHODE ISLAND	83.3	74	10.2	0	0.0
SOUTH CAROLINA	59.4	529	7.8	42	13.4
SOUTH DAKOTA	100.0	24	4.3	12	50.0
TENNESSEE	53.8	521	8.3	55	19.6
TEXAS	64.7	494	2.0	31	2.9
UTAH	60.0	12	1.3	6	10.2
VERMONT	50.0	36	9.7	2	37.3
VIRGINIA	31.0	403	5.0	20	6.5
WASHINGTON	66.7	656	17.6	78	47.3
WEST VIRGINIA	57.1	132	10.8	4	10.5
WISCONSIN	81.3	526	16.4	9	6.5
WYOMING	33.3	77	16.9	0	0.0
UNITED STATES	49.6	23,615	9.0	1,618	14.6



1978 CENSUS OF STATE ADULT CORRECTIONAL FACILITIES

SECONDARY EDUCATION PROGRAM

STATE	PERCENT OF INSTITUTIONS WITH PROGRAM	NUMBER OF MALES IN PROGRAM	% OF TOTAL MALE INMATE POPULATION	NUMBER OF FEMALES IN PROGRAM	% OF TOTAL FEMALE INMATE POPULATION
ALABAMA	14.3	16	0.4	0	0.0
ALASKA	11.1	2	0.4	0	0.0
ARIZONA	55.6	103	3.3	14	9.0
ARKANSAS	57.1	57	2.0	0	0.0
CALIFORNIA	37.5	2,251	10.5	75	5.9
COLORADO	33.3	104	4.8	0	0.0
CONNECTICUT	80.0	250	6.8	12	8.6
DELAWARE	82.3	76	5.8	4	6.8
DISTRICT OF COLUMBIA	62.5	249	11.1	0	0.0
FLORIDA	27.7	1,192	6.4	21	2.6
GEORGIA	64.0	896	10.1	60	10.6
HAWAII	11.1	56	7.9	0	0.0
IDAH0	66.7	83	10.7	4	17.4
ILLINOIS	57.1	754	6.7	10	2.7
INDIANA	56.3	278	5.1	23	11.6
IOWA	26.7	179	8.5	3	3.6
KANSAS	37.5	20	0.9	20	23.8
KENTUCKY	70.0	224	6.3	12	8.2
LOUISIANA	57.1	138	2.2	0	0.0
MAINE	40.0	30	4.5	2	10.5
MARYLAND	61.1	386	5.0	43	17.3
MASSACHUSETTS	57.9	171	6.5	17	18.1
MICHIGAN	52.5	2,241	16.5	152	32.7
MINNESOTA	71.4	182	9.2	4	6.6
MISSISSIPPI	0.0	0	0.0	0	0.0
MISSOURI	55.6	231	4.6	9	5.5
MONTANA	50.0	27	3.8	0	0.0
NEBRASKA	75.0	71	6.3	4	6.6
NEVADA	50.0	16	1.1	16	15.7
NEW HAMPSHIRE	33.3	40	13.4	0	0.0
NEW JERSEY	66.7	359	6.3	0	0.0
NEW MEXICO	20.0	212	14.4	0	0.0
NEW YORK	12.1	512	2.7	0	0.0
NORTH CAROLINA	3.6	90	0.6	0	0.0
NORTH DAKOTA	0.0	0	0.0	0	0.0
OHIO	76.9	573	4.5	101	16.7
OKLAHOMA	47.6	261	6.1	12	6.1
OREGON	20.0	258	9.1	0	0.0
PENNSYLVANIA	41.7	725	9.8	16	6.2
RHODE ISLAND	83.3	66	9.1	5	29.4
SOUTH CAROLINA	34.4	316	4.7	9	2.9
SOUTH DAKOTA	100.0	52	8.2	5	20.8
TENNESSEE	46.2	299	4.8	17	6.0
TEXAS	0.0	0	0.0	0	0.0
UTAH	20.0	25	2.7	6	10.2
VERMONT	50.0	53	14.3	4	66.7
VIRGINIA	23.8	232	2.9	0	0.0
WASHINGTON	33.3	66	1.8	16	9.7
WEST VIRGINIA	42.3	84	6.9	4	10.5
WISCONSIN	56.3	515	16.0	0	0.0
WYOMING	33.3	0	0.0	6	22.2
UNITED STATES	37.9	15,021	5.7	706	6.4

## 1979 CENSUS OF STATE ADULT CORRECTIONAL FACILITIES

## BASIC ADULT EDUCATION PROGRAMS

STATE	PERCENT OF INSTITUTIONS WITH PROGRAM	NUMBER OF MALES IN PROGRAM	% OF TOTAL MALE INMATE POPULATION	NUMBER OF FEMALES IN PROGRAM	% OF TOTAL FEMALE INMATE POPULATION
ALABAMA	57.1	335	9.3	20	8.6
ALASKA	88.9	59	10.7	5	12.8
ARIZONA	55.6	152	4.9	15	9.7
ARKANSAS	57.1	699	24.0	25	25.5
CALIFORNIA	70.6	1,846	8.6	60	4.7
COLORADO	25.6	89	1.1	0	0.0
CONNECTICUT	100.0	448	12.1	46	33.1
DELAWARE	50.0	72	5.5	10	16.9
DISTRICT OF COLUMBIA	75.0	420	18.8	0	0.0
FLORIDA	66.2	2,153	11.5	148	18.2
GEORGIA	92.0	1,616	18.2	23*	4.1*
HAWAII	33.3	43	6.1	0	0.0
IDaho	66.7	39	5.0	1	4.3
ILLINOIS	57.1	1,317	11.7	16	4.3
INDIANA	62.5	351	6.4	48	24.2
IOWA	46.7	369	17.4	16	19.0
KANSAS	50.0	156	7.3	9*	10.7*
KENTUCKY	30.0	434	12.3	35	23.8
KENTUCKY	85.7	343	5.4	28	12.7
MAINE	20.0	6	0.0	0	0.0
MARYLAND	77.8	593	7.7	8	3.2
MASSACHUSETTS	68.4	166	6.3	12	12.8
MICHIGAN	60.0	887	6.5	139	29.9
MINNESOTA	71.4	61	3.1	5	8.2
MISSISSIPPI	40.0	213	9.4	6	5.1
MISSOURI	66.7	245	4.9	20	12.1
MONTANA	100.0	195	27.7	0	0.0
NEBRASKA	37.5	178	15.7	18	29.5
NEVADA	66.7	143	9.9	25	24.5
NEW HAMPSHIRE	33.3	16	5.4	0	0.0
NEW JERSEY	88.9	907	15.8	66	34.7
NEW MEXICO	60.0	28	1.9	9	24.3
NEW YORK	72.1	204	1.1	0	0.0
NORTH CAROLINA	70.2	2,512	17.8	135	22.2
NORTH DAKOTA	50.0	10	4.3	1	50.0
OHIO	69.2	392	3.1	55	9.1
OKLAHOMA	85.7	196	6.6	21	10.6
OREGON	30.0	372	13.1	5	3.8
PENNSYLVANIA	54.2	576	7.8	24	9.3
RHODE ISLAND	66.7	77	10.6	2	11.8
SOUTH CAROLINA	75.0	701	16.4	45	14.4
SOUTH DAKOTA	50.0	25	4.4	0	0.0
TENNESSEE	76.9	428	6.9	12	4.3
TEXAS	94.1	8,548	34.0	403	35.6
UTAH	40.0	30	3.2	0	0.0
VERMONT	100.0	35	9.5	0	0.0
VIRGINIA	81.0	951	11.9	180	58.1
WASHINGTON	75.0	318	8.6	7	4.2
WEST VIRGINIA	42.9	133	10.9	0	0.0
WISCONSIN	56.3	345	10.7	39*	28.1*
WYOMING	66.7	14	3.1	5	18.5
UNITED STATES	64.2	30,446	11.6	2,118	19.1

\* DATA FOLLOWED BY AN ASTERISK INDICATED DATA CHANGED BY ICPSR DUE TO OBVIOUS ERRORS (SUCH AS THERE BEING MORE INMATES IN A PROGRAM THAN THERE ARE INMATES IN A STATE) AND WERE CHANGED WITH THE GUIDANCE OF THE CENSUS BUREAU

1979 CENSUS OF STATE ADULT CORRECTIONAL FACILITIES

NUMBER OF DEGREES AWARDED IN 1979 BY STATE

STATE	HIGH SCHOOL DEGREES	2 YEAR DEGREES	4 YEAR DEGREES	GRADUATE DEGREES
ALABAMA	249	24	0	0
ALASKA	104	2	0	0
ARIZONA	257	11	1	0
ARKANSAS	284	0	0	0
CALIFORNIA	988	59	1	0
COLORADO	245	7	1	0
CONNECTICUT	360	14	0	0
DELAWARE	33	0	0	0
DISTRICT OF COLUMBIA	171	17	2	0
FLORIDA	2,198	37	1	0
GEORGIA	672	41	3	0
HAWAII	13	0	0	0
IDAH0	352	2	0	0
ILLINOIS	823	31	12	0
INDIANA	1,113	23	1	0
IOWA	296	6	0	0
KANSAS	461	5	1	0
KENTUCKY	224	5	0	0
LOUISIANA	102	7	0	0
MAINE	113	1	1	0
MARYLAND	552	73	15	1
MASSACHUSETTS	227	1	7	1
MICHIGAN	1,237	141	25	0
MINNESOTA	185	8	0	0
MISSISSIPPI	121	0	0	0
MISSOURI	349	28	0	1
MONTANA	97	0	0	0
NEBRASKA	181	8	0	0
NEVADA	61	0	0	0
NEW HAMPSHIRE	27	0	0	0
NEW JERSEY	524	30	5	1
NEW MEXICO	110	11	7	0
NEW YORK	NA	NA	NA	NA
NORTH CAROLINA	485	0	0	0
NORTH DAKOTA	25	0	0	0
OHIO	532	145	3	1
OKLAHOMA	283	6	0	0
OREGON	203	15	0	0
PENNSYLVANIA	852	30	2	0
RHODE ISLAND	47	0	0	0
SOUTH CAROLINA	42	37	14	0
SOUTH DAKOTA	116	0	0	0
TENNESSEE	237	19	0	1
TEXAS	2,299	217	34	0
UTAH	93	0	5	0
VERMONT	76	1	0	0
VIRGINIA	480	10	0	0
WASHINGTON	462	100	4	0
WEST VIRGINIA	296	2	3	0
WISCONSIN	516	4	0	0
WYOMING	29	0	0	0
UNITED STATES	20,228	1,178	149	6

NA=NOT ASCERTAINED

## APPENDIX II (P)

1984 / Notices

18607

18608

Federal Register / Vol. 49, No. 85 / Tuesday, May 1

## DEPARTMENT OF EDUCATION

## Correctional Education Policy Statement

AGENCY: Department of Education.

ACTION: Notice—United States Department of Education Correctional Education Policy Statement.

SUMMARY: The Secretary Announces the Correctional Education Policy for the Department of Education.

FOR FURTHER INFORMATION CONTACT: Bernard O'Hayre, Program Specialist, Special Programs Branch, Office of Vocational and Adult Education, U.S. Department of Education, Regional Office Building-3, Room 5052, 7th and D Streets, SW, Washington, D.C. 20202. Telephone: (202) 245-2774.

United States Department of Education Correctional Education Policy Statement

The Department of Education, under the direction of the Secretary of Education, is legislatively designated as the primary agency responsible for the administration of Federal programs of financial assistance to education. The Secretary is authorized, upon request, to provide technical assistance to State educational agencies, institutions of higher education, and local school systems. Legislation now pending in Congress will, if enacted, provide the Secretary with additional authority for carrying out grant programs.

The Department's programs and budget are focused on two essential goals—

(a) To guarantee that students of all ages enrolled in our schools, colleges, and vocational centers have equal access to the best possible education; and

(b) To improve the quality of education for every student by supporting research, development, and dissemination of new teaching methods and materials.

Education is a necessity for every American, including the more than 2.2 million adults and juveniles who are under the jurisdiction of the criminal justice system. However, few of the Nation's jails provide educational services. Most of the Nation's prisons provide basic academic and vocational programs, but fewer than 12 percent of

the total prison population have access to such programs.

The men and women who serve time in the criminal justice system are among those the Department of Education has a responsibility to serve. It is, therefore, the commitment of the Department to lend its efforts in upgrading and making more effective the educational programs in correctional institutions of the States.

The Department's involvement in correctional education is further justified by the extremely low level of educational development found in the corrections population. By advocating improvement in the quality and quantity of education and training opportunities for adult and juvenile offenders, the Department of Education will redress this educational disability in the corrections population.

Compared to other educationally disadvantaged groups, the social and economic cost of the corrections population is extremely high. The criminal justice system places a heavy burden on the American taxpayer. Custody costs range from \$13,000 to \$40,000 per inmate each year. Added to that are court costs, welfare payments, construction costs, and other costs commonly associated with arrest, conviction, incarceration, release, rearrest, and reincarceration.

At the current rate of recidivism, it is estimated that of the 150,000 inmates who will be released this year, between 30 to 70 percent will be recommitted to a correctional facility within one year. Lack of basic education and marketable job skills aggravate a released offenders' difficulties in securing employment, thus, influencing the return to crime. However, with the tools for survival—basic education and a marketable job skill, coupled with the rise in self-esteem which is the inevitable result of achievement—a released inmate's chances for rehabilitation are considerably increased.

It is, therefore, the policy of the Department of Education that through its leadership and resources—

The Department will, subject to availability of funds and appropriate statutory authority, assist State and local jurisdictions to develop, expand, and improve their delivery systems for academic, vocational, technical, social and other educational programs for juvenile and adult offenders in order to enhance their opportunities to become law-abiding, economically self-sufficient, and productive members of society.

To carry out this policy—

(a) The Office of Vocational and Adult Education will assume leadership for the Department's correctional education effort.

(b) The Department will establish an intra-departmental coordinating committee on Correctional Education to assist in bringing about greater cooperation and coordination in the Department's corrections-related programs in the areas of policy, use of existing resources, avoiding duplication of efforts and costs, and effecting a better delivery system for needed services at the State and local levels.

(c) The Department will play an active role in interagency corrections coordination activities.

(d) The Department expects to support research, development, and dissemination efforts to develop knowledge of special curricula, organization, personnel, and support services needed in correctional education.

All officers in the Department of Education and all State and local educational agencies receiving the Department's assistance are encouraged to act in accordance with this policy.

Dated: April 25, 1984.

T. H. Bell,

Secretary of Education.

(FR Doc. 84-11871 Filed 4-30-84; 8:45 am)

MAILING CODE 4020-01-44

## APPENDIX II (Q)

CHARTER OF THE  
UNITED STATES DEPARTMENT OF EDUCATION  
INTRA-DEPARTMENTAL COORDINATING COMMITTEE  
ON CORRECTIONAL EDUCATION

Signed March 28, 1984

Revised April 13, 1984

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CHARTER OF THE  
UNITED STATES DEPARTMENT OF EDUCATION  
INTRA-DEPARTMENTAL COORDINATING COMMITTEE  
ON CORRECTIONAL EDUCATION

An Intra-Departmental Coordinating Committee on Correctional Education is hereby established within the Department of Education to bring about greater cooperation in the use of existing resources, avoiding duplication of efforts and costs, and effecting a better delivery system for needed services at the Federal, State and local levels. The Committee will coordinate current and future ED corrections related programs in the areas of policy, resource development, funding, services, and information dissemination in order to:

- 1) improve the quality and quantity of ED services and resources to the correctional education field,
- 2) permit easier access for correctional agencies and institutions to educational programs and services,
- 3) create a more efficient way for ED to meet the needs of correctional education.

## A. Background

### 1. Offender Population Profile and Needs

Among the prison population, the illiterate, those with learning disabilities, those who lack marketable skills, school dropouts, the poor, racial and ethnic minorities, Vietnam veterans, and physically and mentally handicapped persons are represented in a greater proportion than in society at large. Only 10% of the offender population has completed high school, while 85% dropped out of school before their 16th birthday. Thirty-two percent display serious learning disabilities, and 10% show incidence of mental retardation.

Most offenders have poor employment histories, possess few marketable skills and lack basic education to develop these skills. Forty percent were unemployed at the time of arrest and of those who were employed, 80% were earning less than a poverty level salary. Ninety-five percent of the inmate population will eventually be returned to the community.

### 2. Scope of Correctional Education

The role of correctional education is to provide the educational services offenders need to become productive, law-abiding, and socially and personally well-adjusted persons



upon release. To meet the varied and individual needs of their clients, correctional educators should provide the entire spectrum of educational services. Adult basic education, secondary education, postsecondary education, vocational education, and life-skills programs must be provided for the men, women and children in institutions, community-based programs, and during probation and parole. These programs must facilitate individualized instruction, have open-entry/open-exit features, and meet the security and scheduling requirements imposed by the criminal justice system. To date, with limited Federal, State, and local funding, correctional educators have not been able to provide either the quality or quantity of programs needed by the nation's offenders.

Although correctional administrators may apply for funding under a number of programs administered by the Department of Education, they must piece together information on authorizing legislation, program availability and eligibility, and the various rules and regulations which govern these programs and somehow coordinate these efforts into a coherent programmatic package. It must be underscored that resources for correctional education programs do exist -- millions of dollars are channelled into this area every year. A lack of adequate philosophy, policy, coordination and leadership in this educational effort has resulted in fragmented program efforts, minimal commitment and nontraceable paths of responsibility on the part of correctional and educational

agencies at Federal, State and local levels. The establishment of the Intra-Departmental Coordinating Committee on Correctional Education will ameliorate this condition within the Education Department.

## B. Organization

### 1. Membership of the Intra-Departmental Coordinating Committee on Correctional Education

The Intra-Departmental Committee on Correctional Education will consist of elements from all ED offices and programs which can impact on correctional education. Within the present structure of the Department, six Assistant Secretaryships are administering programs which can provide funding, technical assistance, research and development, personnel development, information, and dissemination services for correctional education. These include: Office of Bilingual Education and Minority Languages Affairs, Office of Educational Research and Improvement, Office of Elementary and Secondary Education, Office of Postsecondary Education, Office of Special Education and Rehabilitative Services, and Office of Vocational and Adult Education. In addition, the National Adult Literacy Initiative, an initiative of the Secretary, will provide resources and staff to assist in interdepartmental and intergovernmental coordination of literacy activities in correctional facilities.

Representation on the Committee will be the Assistant Secretary or Principal Program Administrator from the above

listed offices, and the Regional Liaison Office. Ex Officio members on the Committee will be the Deputy Under Secretaries for the Office of Planning, Budget, and Evaluation; the Office of Management; and the Office of Inter-governmental and Interagency Affairs. The Chair of the Committee rests with OVAE and may be delegated by the Assistant Secretary.

The Committee will meet bimonthly or as often as required to examine present program practices and review legislative, policy, and regulatory concerns as they relate to correctional education. It will take action accordingly after determining whether these concerns can be addressed through (1) administrative policy change, (2) changes in regulations, or (3) changes in legislation.

2. Functions of the Intra-Departmental Coordinating Committee on Correctional Education

The Intra-Departmental Coordinating Committee on Correctional Education will be charged with the following functions:

a. To provide leadership and direction in Federal policy and legislation affecting correctional education by:

- 1) reviewing all current relevant legislation, policies, guidelines, rules, and regulations to identify problems and needed changes; and
- 2) providing recommendations to the Secretary of the Department of Education concerning needed policies, legislation and regulation changes.

b. To provide coordination:

- 1) within ED, (including its Regional Offices) among programs that provide funding and educational services to corrections; and
- 2) with other Federal agencies (e.g. DOL, HHS, and DOJ);

c. To promote correctional education research through:

- 1) program evaluation,
- 2) follow-up studies,
- 3) demonstration projects, and
- 4) data collection.

C. Staffing for the Intra-Departmental Coordinating Committee:

Appropriate quality and quantity of staff is critical if the coordinating committee is to fulfill its functions as outlined above.

Each Assistant Secretary will establish a focal point of responsibility within his or her office to coordinate correctional education thrusts and action proposals.

Each office will examine its present program policies to determine distribution of resources and services within its jurisdiction and analyze possible avenues for modifying current distribution policies to include correctional education where permitted by law, and offer recommendations to the committee.

Staff will be designated by the senior officers and shall carry out the following general functions as they relate to their particular specialty area:

- 1) To provide technical assistance and educational services for:
  - a) program planning and development,
  - b) facility design,
  - c) management,
  - d) staff development/training,
  - e) funding,
  - f) standards, and
  - g) evaluation.
- 2) Conducting clearinghouse and information dissemination activities in areas including:
  - a) legislation, rules, regulations, and guidelines,
  - b) program/curricula models,
  - c) research findings, and
  - d) correctional education statistical data.

D. Specialty Areas

1. Elementary and Secondary Education - focuses on all functions and program activities which relate to serving juveniles in the criminal justice system and encourages linkages between juvenile institutions, local schools, and community based organizations. The staff will serve as liaison with the Office of Elementary and Secondary Education.

2. Special Education and Rehabilitative Services - focuses on all functions and program activities which relate to serving offenders with special needs, including assessment and planning of programs for staff, and development of linkages with rehabilitation services in the community. The staff will serve as liaison with the Office of Special Education and Rehabilitative Services.
3. Postsecondary Education - focuses on all functions and program activities as they relate to postsecondary education for offenders, including increasing access to Federal financial student assistance, and facilitating linkages with postsecondary institutions and correctional institutions. The staff will serve as liaison with the Office of Postsecondary Education.
4. Vocational Education - focuses on the identification, development and implementation of vocational programs and services for offenders, including: vocational and competency-based curricula in the correctional setting, developing linkages within the institution between institutional services, prison industry programs, and vocational programs, and involving local industry and labor in apprenticeship and employment and training programs for offenders. The staff will serve as liaison with the Office of Vocational and Adult Education, Vocational Programs.

5. Adult Education - focuses on all functions and program activities which relate to adult basic education for offenders, including: providing technical assistance on competency-based instruction and innovative techniques for adult offenders. The staff will serve as liaison with the Office of Vocational and Adult Education, Adult Learning Programs.
6. Bilingual Education - focuses on program activities as they relate to serving limited-English speaking offenders. Activities would include all program functions as they relate to this population, with particular focus on research, support services, access and equity to educational programs. This staff will serve as liaison with the Office of Bilingual Education and Minority Languages Affairs.
7. Women's Program - focuses on program activities as they relate to serving female and minority offenders. Activities would include all program functions as they relate to this population, with particular focus on research, support services, access and equity to educational programs. Also focuses on occupational and apprenticeship programs as well as necessary counseling, parenting, social and living skills programs for female offenders.

This staff will serve as liaison with the ED programs specifically targeted at women, such as Women's Educational

Equity, Vocational Education, Displaced Homemakers, Consumer and Homemaking Education.

8. Educational Research and Improvement - focuses on program activities as they relate to providing adequate research on correctional education issues. Activities would include collecting and disseminating statistical information on the condition of education in the correctional area, by identifying and disseminating models and strategies for improving correctional education programs which meet the special needs of offenders.

This staff will serve as liaison with the Office of Educational Research and Improvement.

E. Applicable Programs and Resources

Each office and program will expend such S&E funds as it may have available to support these activities.

T. H. Bell  
Secretary of Education



## APPENDIX II (R)

NINETY-EIGHTH CONGRESS

PETER W. RODINO, JR., D-ILL, CHAIRMAN

JACK BROOKS, TEX.  
ROBERT W. KASTENMEIER, WIS.  
DON EDWARDS, CALIF.  
JOHN EDWARDS, JR., ILL.  
JOHN F. EDERLING, OHIO  
ROMANO L. MAZZOLI, KY.  
WILLIAM J. ROBERTS, ILL.  
SAM B. HALL, JR., TEX.  
MIKE SYRUS, DELA.  
PATRICIA SCHROEDER, COLO.  
DAN GUCKENAM, KANS.  
BARNETT FRANK, MAINE.  
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CHARLES E. SCHUMER, N.Y.  
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E. CLAY BRAW, JR., FLA.  
GEORGE W. DEKAS, PA.  
MICHAEL DWINNE, OHIO

U.S. House of Representatives  
Committee on the Judiciary  
Washington, D.C. 20515  
Telephone: 202-225-3951

GENERAL COUNSEL  
ALAN A. PARKER  
STAFF DIRECTOR  
GABRIEL J. CLINE  
ASSOCIATE COUNSEL  
ALAN F. CONFEY, JR.

August 23, 1984

Honorable Augustus F. Hawkins  
Acting Chairman  
Committee on Education and Labor  
2181 Rayburn House Office Building  
Washington, DC 20515

Dear Mr. Hawkins:

I understand that the Committee on Education and Labor will probably go to conference on H.R. 4164, the "Carl Perkins Vocational Education Act of 1984." In the Senate version of H.R. 4164, which passed the Senate on August 8, 1984, there is provision in Title II (sections 201(b)(4) and 202 (4)) for a 2 percent set aside -- approximately \$7.8 million -- for vocational education programs for criminal offenders who are in correctional institutions. There is no similar provision in the House version. I would urge you to consider retaining the Senate provision or some alternative which would ensure that a set amount of money is available for this important purpose.

As chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice, I held hearings on August 2, 1984, on legislation relating to prison education and industries. Senator Pell, who is strong supporter of the correctional set aside, testified at the hearing, as did Congressman John Conyers, another strong supporter of correctional education.

Testimony of these Members and other witnesses indicated the need for greater resources for correctional education, including vocational education. Incarceration rates by education indicate the less education, the greater the chance of incarceration. Only about 10 percent of prison inmates are high school graduates, and 40% were unemployed prior to arrest. Eighty percent made less than a poverty level salary. Most inmates will return to their community. It is a wise investment to allocate funds to offenders so that they will have the tools to be productive, law-abiding citizens.

Therefore, I hope you will carefully consider adopting provisions in H.R. 4164 which will respond to this need. Thank you for consideration of my views.

With warm regards,

Sincerely,

ROBERT W. KASTENMEIER  
Chairman  
Subcommittee of Courts,  
Civil Liberties and the  
Administration of Justice

RWK:gfv