



Department of Public Safety and Correctional Services

Maryland Correctional Enterprises

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MARYLAND CORRECTIONAL
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BILLS: SB 635 – Minority Business Enterprises – Calculation of Participation Rates – Exemption for Procurements from Maryland Correctional Enterprises - Repeal

DATE: February 12, 2021

POSITION: **Oppose**

The passage of Senate Bill 635 would unilaterally impact the ability of Maryland Correctional Enterprises (MCE) from achieving its mission but would also impact the minority populations currently incarcerated within the Maryland Correctional System.

Maryland Correctional Enterprises is the prison industry arm of the Division of Correction within the Department of Public Safety and Correctional Services (DPSCS). The mission of MCE focuses on providing structured employment and training activities to enhance offender rehabilitation. In conjunction with our mission, MCE is responsible for maintaining compliance with the following mandates:

- Is financially self-supporting, generates revenue for its operations and capital investments
- Provides meaningful work experiences for inmates that are intended to allow inmates to improve work habits, attitudes, and skills for the purpose of improving the employability of the inmates upon release
- Seeks to develop industries that provide full-time work experience or rehabilitation programs for all eligible inmates, and
- Operates correctional industries in an environment that resembles as closely as possible the environment of private sector business operations

Approximately, 70% of those incarcerated within the Maryland Correctional System, and ultimately trained by MCE, are minorities. With a reduction in sales, there would also be a reduction in funding to support our operation. Conservatively, MCE may face a reduction of 10% in sales and revenue (\$5,000,000). In turn this reduction in operations would result in a required reduction of program participants to match the reduction in production needs.

Studies across the nation continue to show that involvement in a correctional industry program has a positive effect on reducing states' recidivism rates. MCE products and services maintain a "value added" component through manufacturing, assembly, warehousing, various services, clerical / computer skills, etc. As our work progresses, it has become evident that training and education in these areas have become vital to inmates' successes upon release. Higher recidivism rates result in decreased public safety and incarceration costs on both state and local levels. As stated previously, MCE participation reflects that of the Correctional System population with at least 70% being minorities.

In addition to the impact to MCE, the passage of SB 635 would also result in additional procurement complications and difficulties for state agencies. If agencies could no longer exclude MCE purchases from their MBE goal, agencies would need to adjust goals to

accommodate for the new purchase amount. This has the potential to limit vendor eligibility on outside procurements.

We respectfully request that you give Senate Bill 635 an **unfavorable** vote. If you have any questions or need additional information, please do not hesitate to contact Catherine Kahl or Rachel Sessa at 410-260-6074.