

BILL ANALYSIS

C.S.H.B. 1372
By: Allen
Corrections
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas Correctional Industries (TCI) is the Texas Department of Criminal Justice (TDCJ) office charged with implementing and administering Texas prison industry programs. In Fiscal Year 2002, TCI generated over \$80 million in sales.

One of TCI's purposes as defined in Section 497.002, Government Code is to reduce TDCJ costs by providing products and articles for TDCJ. CSHB 1372 clarifies the intent of current law by stating that TDCJ is required, as are other state agencies, to purchase needed goods from TCI. CSHB 1372 also provides that, at least once a year, TCI must determine if there are articles or products TDCJ needs that are not produced but could be produced by TCI at a reduced cost or savings to the department. In an effort to consolidate the supervision of manufactured goods production in TDCJ, CSHB 1372 also gives TCI supervision over the production of articles and products in craft shops operated by TDCJ.

The Private Sector Prison Industries Oversight Authority is the entity charged with oversight of the Private Sector Prison Industries Enhancement Program (PIE). PIE allows inmates to earn a prevailing wage from private sector corporations by working within the walls of the prison. Inmates in the program have earned a substantial amount of money, a portion of which has been used to help reimburse the state for costs of confinement, to pay child or family dependent support, taxes, compensation to victims, and to help expand the PIE program. As of March 2003, PIE room & board deductions from inmate wages totaled \$1.2 million in the current fiscal year.

The bill clarifies PIE job displacement determination as it relates to specific job types in Texas. Also, the bill defines PIE job displacement determination to specify that a PIE program does not result in the loss of existing jobs if, at the time of initial PIE certification, the jobs are performed by workers in a foreign country. Further, CSHB 1372 increases the statutory cap on participants in the private sector prison industries program from 2,000 to 5,000.

Finally, CSHB 1372 makes conforming and nonsubstantive changes to statutes regarding the negotiation and cost of license plates.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. The bill amends Section 497.002, Government Code, to state that Texas Correctional Industries (the "office") has supervision over production in crafts shops operated by TDCJ.

SECTION 2. The bill amends Section 497.024, Government Code (AGENCIES AND POLITICAL SUBDIVISIONS: DUTIES TO PURCHASE [prison-made products]), by applying the section to TDCJ in the same manner as other state agencies. The bill provides that, at least once a year, TCI must determine if there are articles or products that TDCJ needs and are not produced but could be produced by TCI at a reduced cost or savings to the department.

SECTION 3. The bill amends Section 497.059, Government Code to clarify job displacement determination regarding specific job types. The bill defines PIE job displacement determination to specify that a PIE program does not result in the loss of existing jobs if, at the time of initial PIE certification, the jobs are performed by workers in a foreign country.

SECTION 4. The bill amends Section 497.062(a), Government Code to increase the statutory cap on participants in the PIE program from 2,000 to 5,000.

SECTION 5. The bill amends Section 501.013, Government Code, to make Texas Correctional Industries the supervising authority for arts and crafts produced in TDCJ.

SECTION 6. The bill amends Section 502.053, Transportation Code, to require the Texas Department of Criminal Justice, the Texas Department of Transportation, and the Texas Building and Procurement Commission (formerly the General Services Commission) to set the price of license plates and insignia. The bill makes other conforming changes.

SECTION 7. Effective date.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by removing the amendment to Section 497.022, Government Code, regarding contracts with a nonprofit organization. The substitute modifies the original by removing the amendments to Section 497.058, Government Code, regarding PIECP wages. The substitute modifies the original by removing the amendment to Section 497.0581(a), Government Code, regarding wage deductions for PIE program participants under supervision of the Texas Youth Commission.

The substitute modifies the original by giving TCI supervision over the production of articles, products, arts, and crafts in craft shops operated by TDCJ. The substitute further modifies the original by clarifying that Section 497.024 Government Code (AGENCIES AND POLITICAL SUBDIVISIONS: DUTIES TO PURCHASE [prison-made products]) applies to TDCJ in the same manner as other state agencies. The substitute also provides that, at least once a year, TCI must determine if there are articles or products that TDCJ needs and are not produced but could be produced by TCI at a reduced cost or savings to the department.

The substitute modifies the original by amending Section 497.059, Government Code, regarding PIE job displacement determination of specific job types in the state, not in the location in which the program is to

be established. The substitute also differs from the original bill by specifying that a PIE program does not result in the loss of existing jobs if, at the time of initial PIE certification, the jobs are performed by workers in a foreign country. The substitute also increases the cap on PIE participants from 2,000 to 5,000.

The substitute adds Texas Building and Procurement Commission to the agencies who must set the price of license plates.