

Legislative Analysis



USE OF PRISON LABOR BY PRIVATE CONTRACTORS

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5658

Sponsor: Rep. Joe Haveman

Committee: Judiciary

Complete to 5-30-12

A SUMMARY OF HOUSE BILL 5658 AS INTRODUCED 5-22-12

The bill would amend the Correctional Industries Act (MCL 800.322 and 800.326) to specify the following:

- Prison labor could be assigned to a private contractor for the production of goods or services to be used solely within a correctional institution, jail, or reentry facility that houses a population under the Department of Corrections' (DOC) jurisdiction.
- Inmates assigned by the DOC for the production of goods or services that are solely used within such a correctional facility or institution would **not** be subject to the prevailing or minimum wage.

The bill would also exclude from the definition of "correctional industries products," goods or services that are provided by inmate labor that is assigned to a private contractor to be used solely within a correctional institution, jail, or reentry facility.

"*Correctional institution*" would mean a state prison, prison facility, or other prison institution, correctional camp, community corrections center, correctional farm, state reformatory, or probation recovery camp, owned, operated, leased, supervised, or contracted for by the state.

FISCAL IMPACT:

The bill would have no fiscal impact on the State or on local units of government since the State does not currently have prison labor assigned to a private contractor for the production of goods or services to be used solely within a correctional institution, jail, or reentry facility. Should the State enter into such an arrangement in the future, the bill could result in lower costs to the State (either direct costs or contract costs) given that inmate labor could be paid at wages below existing prevailing or minimum wage levels.

Legislative Analyst: Jeff Stoutenburg
Fiscal Analyst: Bob Schneider

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