

Department of Planning and Budget

2010 Fiscal Impact Statement

1. Bill Number: HB 1031

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

2. Patron: Pollard

3. Committee: Militia, Police and Public Policy

4. Title: Purchase of items from prison enterprises

5. Summary:

State agencies are required by law to purchase goods and services produced by Virginia Correctional Enterprises (VCE). Exemptions can be granted by the Division of Purchases and Supply of the Department of General Services. Intentional violations of the requirement continued after notice from the Governor to desist shall constitute malfeasance in office.

The proposed legislation would provide that violation of the policy would not constitute malfeasance if it could be shown that such violation was intended to reduce the expenditure of public moneys.

6. Fiscal Impact Estimates: Indeterminate.

7. Budget Amendment Necessary: None.

8. Fiscal Implications:

In addition to providing goods and services for state agencies, local governments, and nonprofit agencies, the prison enterprise program has two primary functions. The first function is to keep inmates busy and occupied with a positive activity. Keeping inmates busy is a basic principle of prison security. To the extent that inmates are idle, security concerns and costs increase.

The second function of prison enterprises is to teach job skills and inculcate good work habits that will be useful in obtaining jobs and reducing recidivism when an offender is released from prison.

The proposed legislation could result in state agencies purchasing fewer goods and services from VCE. To the extent that this occurs, VCE revenue would decrease. If the decrease is significant, VCE might cease to be a self-supporting operation. If so, the Department of Corrections would either have to seek additional general fund support to

subsidize VCE's operations or would have to request additional funding to enhance security or to find other activities to keep inmates occupied.

9. Specific Agency or Political Subdivisions Affected: Department of Corrections

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 2/1/2010 dpb
G:\LEGIS\Fis-10\Hb1031.Doc Dick Hall-Sizemore