

# Department of Planning and Budget

## 2010 Fiscal Impact Statement

**1. Bill Number: HB 139**

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

**2. Patron: Pollard**

**3. Committee: Militia, Police and Public Safety**

**4. Title: Purchases of goods from state correctional facilities**

**5. Summary:**

Under current law, state agencies are required to purchase goods and services produced by inmates in state correctional facilities. The director of the Division of Purchases and Supply (DPS) of the Department of General Services may grant an exemption from the requirement if the item produced by Virginia Correctional Enterprises (VCE) does not meet the requirements of the agency or if VCE cannot comply with the order of the agency due to a lack of materials or for any other reason.

The proposed legislation would specifically authorize DPS to grant an exemption if the article were commonly commercially available and the VCE cost of the article were more than ten percent higher than the cost of the commercially available article.

**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 would expand the situations in which DPS could grant an exemption to an agency from using VCE as a source for an item. It is not possible to project how often the VCE price would exceed by more than ten percent the price of the

commercially available item nor how often DPS would grant an exemption when it did. To the extent that such situations occurred, VCE revenue would decrease. If the revenue decreased significantly, 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 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\Hb139.Doc Dick Hall-Sizemore