

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB 1444

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Miller, J.C.

3. Committee: Rehabilitation and Social Services

4. Title: Prison printing shops

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 of the Department of General Services may grant an exemption from the requirement if the item produced by Virginia Correctional Enterprises (VCE) of the Department of Corrections 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. In many cases, VCE itself will tell an agency it cannot provide the good or service desired or within the timeframe needed by the agency. In such cases, the agency is then free to procure the good or service elsewhere.

The proposed legislation would exempt an institution of higher education from having to use VCE for printing products or services.

6. Budget Amendment Necessary: None.

7. Fiscal Impact Estimates: Indeterminate. See Item 8.

8. Fiscal Implications:

The printing operations of VCE produces all manner of materials for state agencies and institutions of higher education. The revenue generated by VCE from printing materials for institutions of higher education totals approximately \$400,000 annually, which is about 11 percent of the total revenue from all printing operations. This amount was about 2 percent of all the expenditures by institutions of higher education in FY 2010 for printing services.

VCE's printing operations provide about 150 inmate jobs. Counting turnover, about 250 inmates annually work in the printing operations.

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.

Because the proposed legislation provides higher education institutions the option of not using VCE for printing jobs that VCE could undertake and deliver, it could result in a decrease in VCE revenues and a reduction in the number of jobs that could be provided to inmates. However, it is not possible to forecast the size of these reductions because it is not known the extent to which higher education institutions would exercise that option.

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

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/27/11

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