

ENGROSSED HOUSE  
BILL NO. 1987

By: Deutschendorf and Boyd  
(Laura) of the House

and

Helton of the Senate

( prisons and reformatories - pilot program for the  
Department of Corrections - codification - effective date  
- emergency )

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 568 of Title 57, unless there is  
created a duplication in numbering, reads as follows:

A. The Department of Corrections may establish a pilot program  
for the Department of Corrections, which would provide for the  
construction and maintenance of a correctional institution  
containing a manufacturing facility at no expense to the state. The  
Board of Corrections shall determine the type of manufacturing  
facility to be established. The Board shall avoid selecting a type  
of manufacturing that will result in direct competition with in-  
state manufacturing entities. The facility shall comply with  
American Correctional Association requirements for the incarceration  
of medium security level inmates; however, only minimum and medium  
security level inmates shall be housed in the institution.

B. The Department of Corrections is authorized to contract with  
a private prison contractor, pursuant to Section 561 of Title 57 of  
the Oklahoma Statutes, for the construction and maintenance of the

institution. Before the Department awards a contract to a private prison contractor, the plans for design and construction shall be approved by the Department. The Department shall additionally consider the prospective contractor's experience in the contractor's field, the capacity of the contractor to accomplish the work, the contractor's past performance and the contractor's expertise in design, construction and operation of a prison facility. The private prison contractor may form a cooperative business venture with a city or county government entity to facilitate the capital investment provisions and requirements of the aforementioned contract. The Department of Corrections shall pay the contractor for the cost of incarceration of Department of Corrections inmates at the rate it costs the Department to house similarly classified inmates in a facility operated by the Department of Corrections. The Department shall avoid approving any new contracts which, in the aggregate, would result in the placement in private prisons of more than twenty percent (20%) of inmates in the custody of the Department of Corrections.

C. Any profits generated by the private prison manufacturing interests shall be apportioned in the following manner:

1. Eighty percent (80%) of the manufacturing profits shall be the property of the private prison contractor. The private prison contractor shall provide a copy of a yearly audit of income generated by the facility; and

2. Twenty percent (20%) of the manufacturing profits shall be the property of the Department of Corrections Revolving Fund.

D. Each inmate's wages shall be charged to expenses before profits and shall be distributed as follows:

1. Forty percent (40%) to the victim of the inmate's crime or the victim's family. If there is not an identified victim or family, this amount shall be sent to the Crime Victim's Compensation Fund;

2. Forty percent (40%) shall be held in reserve for the inmate by the Department of Corrections. Provided that the inmate may direct that seventy-five percent (75%) of this amount be sent to the inmate's own family, and provided further, that if payment is required by the inmate's sentence, this shall be carried out before the inmate or the inmate's family receives any funds. Each inmate may be allowed to spend up to five percent (5%) of the inmate's earnings for commissary purchases; and

3. Twenty percent (20%) shall be paid to the Department of Corrections for per diem care.

E. Appropriately classified inmates shall be selected for participation in the program by the Director of the Department of Corrections. Inmates who participate in the program shall be entitled earned credits as provided in Section 138 of Title 57 of the Oklahoma Statutes.

F. The State Board of Corrections shall be the custodian of the inmate funds; provided, the Department of Corrections may choose to designate the private prison contractor as custodian of each inmate's forty-percent wage-income fund.

G. If products are sold in the private sector or to the federal government, the contractor shall be responsible for compliance with the provisions of the Workers' Compensation Act and the Oklahoma Minimum Wage Act.

H. As used in this section, security level restrictions shall refer to the security levels applicable to inmates in institutions within the Department of Corrections, as determined by policy of the Department of Corrections.

SECTION 2. This act shall become effective July 1, 1995.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 14th day of March, 1995.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1995.

President of the Senate