ENGROSSED HOUSE AMENDMENT
TO
ENGROSSED SENATE BILL NO. 1910 By: Corn of the Senate

and

Hickman of the House

(corrections - Director of Corrections - correctional officers - petty cash - inmate savings - prison industry - private prison contractors - effective date -

emergency)

AMENDMENT NO. 1. Strike the stricken title, enacting clause and entire bill and insert

"An Act relating to corrections; amending 57 O.S. 2001, Sections 510, as last amended by Section 8, Chapter 168, O.S.L. 2004, 513.1, 549, as last amended by Section 3, Chapter 159, O.S.L. 2005, 549.1, as amended by Section 1, Chapter 59, O.S.L. 2003, 561.1, as last amended by Section 47, Chapter 3, O.S.L. 2003 and 563.3, as amended by Section 2, Chapter 476, O.S.L. 2005 (57 O.S. Supp. 2005, Sections 510, 549, 549.1, 561.1 and 563.3), which relate to the Oklahoma Corrections Act of 1967; deleting residency restriction; changing name of certain facility; adding Union City Community Corrections Center; providing maximum amount of petty cash for certain facility; modifying scope of powers and duties of State Board of Corrections; modifying name of certain agency; requiring computation of certain costs; requiring presentation of certain information and comparative data to the State Board of Corrections; modifying performance monitoring provisions; providing an effective date; and declaring an emergency.

SECTION 1. AMENDATORY 57 O.S. 2001, Section 510, as last amended by Section 8, Chapter 168, O.S.L. 2004 (57 O.S. Supp. 2005, Section 510), is amended to read as follows:

Section 510. A. The Director of the Department of Corrections shall have the following specific powers and duties relating to the penal institutions:

1. To appoint, subject to the approval of the State Board of Corrections, a warden or superintendent for each penal institution, who shall qualify for the position by character, personality, ability, training, and successful administrative experience in the correctional field; and if the person is not the incumbent warden or superintendent of a penal institution, the person shall have a college degree with a major in the behavioral sciences. As used in this section, "major in the behavioral sciences" means a major in psychology, sociology, criminology, education, corrections, human relations, guidance and counseling, administration, criminal justice administration, or penology;

2. To fix the duties of the wardens and superintendents and to appoint and fix the duties and compensation of such other personnel for each institution as may be necessary for the proper operation thereof. However, correctional officers and guards hired after November 1, 1995, shall be subject to the following qualifications:

a. the minimum age for service shall be twenty-one (21) years of age. The Director shall have the authority to establish the maximum age for correctional officers entering service,

b. possession of a minimum of thirty (30) semester hours from an accredited college or university, or possession of a high school diploma acquired from an accredited high school or GED equivalent testing program and graduation from a training course conducted by or approved by the Department and certified by the Council on Law Enforcement Education and Training either prior to employment or during the first six (6) months of employment,

c. ~~be a resident of this state during employment,~~

~~d.~~ be of good moral character,

~~e.~~

d. before going on duty alone, satisfactory completion of an adequate training program for correctional officers and guards, as prescribed and approved by the State Board of Corrections,

~~f.~~

e. satisfactory completion of minimum testing or professional evaluation through the Merit System of Personnel Administration to determine the fitness of the individual to serve in the position written evaluations shall be submitted to the Department of Corrections, and

~~g.~~

f. satisfactory completion of a physical in keeping with the conditions of the job description on an annual basis and along the guidelines as established by the Department of Corrections;

3. To designate as peace officers qualified personnel in any Department of Corrections job classifications. The Director shall designate as peace officers correctional officers who are employed in positions requiring said designation. The peace officer authority of employees designated as peace officers shall be limited to: maintaining custody of prisoners; preventing attempted escapes; pursuing, recapturing and incarcerating escapees and parole or probation violators and arresting such escapees, parole or probation violators, serving warrants, and performing any duties specifically required for the job descriptions. Such powers and duties of peace officers may be exercised for the purpose of maintaining custody, security, and control of any prisoner being transported outside this state as authorized by the Uniform Criminal Extradition Act. To

become qualified for designation as peace officers, employees shall meet the training and screening requirements conducted by the Department and certified by the Council on Law Enforcement Education and Training within twelve (12) months of employment or, in the case of employees designated as peace officers on or before July 1, 1997, by July 1, 1998, and shall not be subject to Section 3311 of Title 70 of the Oklahoma Statutes;

4. To maintain such industries, factories, plants, shops, farms, and other enterprises and operations, hereinafter referred to as prison industries, at each institution as the State Board of Corrections deems necessary or appropriate to employ the prisoners or teach skills, or to sustain the institution; and as provided for by policies established by the State Board of Corrections, to allow compensation for the work of the prisoners, and to provide for apportionment of inmate wages, the amounts thus allowed to be kept in accounts by the Board for the prisoners and given to the inmates upon discharge from the institution, or upon an order paid to their families or dependents or used for the personal needs of the prisoners. Any industry that employs prisoners shall be deemed a "State Prison Industry" if the prisoners are paid from state funds including the proceeds of goods sold as authorized by Section 123f of Title 74 of the Oklahoma Statutes. Any industry in which wages of prisoners are paid by a nongovernmental person, group, or corporation, except those industries employing prisoners in work-release centers under the authority of the Department of Corrections shall be deemed a "Private Prison Industry";

5. To assign residences at each institution to institutional personnel and their families;

6. To provide for the education, training, vocational education, rehabilitation, and recreation of prisoners;

7. To regulate the operation of canteens for prisoners;

8. To prescribe rules for the conduct, management, and operation of each institution, including rules for the demeanor of prisoners, the punishment of recalcitrant prisoners, the treatment of incorrigible prisoners, and the disposal of property or contraband seized from inmates or offenders under the supervision of the Department;

9. To transfer prisoners from one institution to another;

10. To transfer to a state hospital for the mentally ill for care and treatment, any prisoner who appears to be mentally ill. The prisoner shall be returned to the institution when the superintendent of the hospital certifies that the prisoner has been restored to mental health;

11. To establish procedures that ensure inmates are educated and provided with the opportunity to execute advanced directives for health care in compliance with Section 3101.2 of Title 63 of the Oklahoma Statutes. The procedures shall ensure that any inmate executing an advanced directive for health care is competent and executes the directive with informed consent;

12. To maintain courses of training and instruction for employees at each institution;

13. To maintain a program of research and statistics;

14. To provide for the periodic audit, at least once annually, of all funds and accounts of each institution and the funds of each prisoner;

15. To provide, subject to rules established by the State Board of Corrections, for the utilization of inmate labor for any agency of the state, city, town, or subdivision of this state, upon the duly authorized request for such labor by the agency. The inmate labor shall not be used to reduce employees or replace regular maintenance or operations of the agency. The inmate labor shall be used solely for public or state purposes. No inmate labor shall be used for private use or purpose. Insofar as it is practicable, all

inmate labor shall be of such a nature and designed to assist and aid in the rehabilitation of inmates performing the labor;

16. To provide clerical services for, and keep and preserve the files and records of, the Pardon and Parole Board; make investigations and inquiries as to prisoners at the institutions who are to be, or who might be, considered for parole or other clemency; assist prisoners who are to be, or who might be, considered for parole or discharge in obtaining suitable employment in the event of parole or discharge; report to the Pardon and Parole Board, for recommendation to the Governor, violations of terms and conditions of paroles; upon request of the Governor, make investigations and inquiries as to persons who are to be, or who might be, considered for reprieves or leaves of absence; report to the Pardon and Parole Board, for recommendation to the Governor, whether a parolee is entitled to a pardon, when the terms and conditions of the parole have been completed; make presentence investigations for, and make reports thereof to, trial judges in criminal cases before sentences are pronounced; supervise persons undergoing suspended sentences, or who are on probation or parole; and develop and operate, subject to the policies and guidelines of the Board, work-release centers, community treatment facilities or prerelease programs at appropriate sites throughout this state;

17. To establish an employee tuition assistance program and promulgate rules in accordance with the Administrative Procedures Act for the operation of the program. The rules shall include, but not be limited to, program purposes, eligibility requirements, use of tuition assistance, service commitment to the Department, reimbursement of tuition assistance funds for failure to complete course work or service commitment, amounts of tuition assistance and limitations, and record keeping;

18. To establish an employee recruitment and referral incentive program and promulgate rules in accordance with the Administrative

Procedures Act for the operation of the program. The rules shall include, but not be limited to, program purposes, pay incentives for employees, eligibility requirements, payment conditions and amounts, payment methods, and record keeping;

19. To provide reintegration referral services to any person discharged from the state custody who has volunteered to receive reintegration referral services. The Director may assign staff to refer persons discharged from state custody to services. The Director shall promulgate rules for the referral process. All reintegration referral services shall be subject to the availability of funds; and

20. To conduct continual planning and research and periodically evaluate the effectiveness of the various correctional programs instituted by the Department; manage the designing, building, and maintaining of all the capital improvements of the Department; establish and maintain current and efficient business, bookkeeping, and accounting practices and procedures for the operations of all institutions and facilities, and for the Department's fiscal affairs; conduct initial orientation and continuing in-service training for the Department employees; provide public information services; inspect and examine the condition and management of state penal and correctional institutions; investigate complaints concerning the management of prisons or alleged mistreatment of inmates thereof; and hear and investigate complaints as to misfeasance or nonfeasance of employees of the Department.

B. When an employee of the Department of Corrections has been charged with a violation of the rules of the Department or with a felony pursuant to the provisions of a state or federal statute, the Director may, in the Director's discretion, suspend the charged employee, in accordance with the Oklahoma Personnel Act and/or the Merit System of Personnel Administration Rules, pending the hearing and final determination of the charges. Notice of suspension shall

be given by the Director, in accordance with the provisions of the Oklahoma Personnel Act. If after completion of the investigation of the charges, it is determined that such charges are without merit or are not sustained before the Oklahoma Merit Protection Commission or in a court of law, the employee shall be reinstated and shall be entitled to receive all lost pay and benefits.

This subsection shall in no way deprive an employee of the right of appeal according to the Oklahoma Personnel Act.

SECTION 2. AMENDATORY 57 O.S. 2001, Section 513.1, is amended to read as follows:

Section 513.1 Maximum amounts in petty cash funds.

The maximum amounts that may be maintained in petty cash funds, established in accordance with the provisions of Section 513 of this title, are as specified below:

	Maximum Amount
Department of Corrections	$1,000.00
~~Ouachita~~ Jim E. Hamilton Correctional Center (Hodgen)	$2,000.00
Mack H. Alford Correctional Center	$2,500.00
Howard C. McLeod Correctional Center (Farris)	$2,000.00
Lexington Assessment and Reception Center	$2,500.00
Oklahoma State Penitentiary (McAlester)	$8,000.00
Oklahoma State Reformatory (Granite)	$3,000.00
R.B. "Dick" Conner Correctional Center (Hominy)	$3,000.00
Joe Harp Correctional Center (Lexington)	$3,000.00
Jess Dunn Correctional Center (Taft)	$3,500.00
James Crabtree Correctional Center (Helena)	$2,000.00
Mabel Bassett Correctional Center (Oklahoma City)	$2,000.00
John Lilley Correctional Center (Boley)	$2,000.00
Oklahoma City Community Corrections Center	$2,000.00
Clara Waters Community Corrections Center (Oklahoma City)	$2,000.00

Kate Barnard Community Corrections Center (Oklahoma City)	$2,000.00
Tulsa Community Corrections Center	$2,000.00
Muskogee Community Corrections Center	$2,000.00
Lawton Community Corrections Center	$2,000.00
Enid Community Corrections Center	$2,000.00
Union City Community Corrections Center	$2,000.00
Jackie Brannon Correctional Center	$3,000.00
William S. Key Correctional Center (Fort Supply)	$3,000.00
Dr. Eddie Walter Warrior Correctional Center (Taft)	$3,000.00
Northeast Oklahoma Correctional Center (Vinita)	$3,000.00
Charles E. "Bill" Johnson Correctional Center	$3,000.00

SECTION 3. AMENDATORY 57 O.S. 2001, Section 549, as last amended by Section 3, Chapter 159, O.S.L. 2005 (57 O.S. Supp. 2005, Section 549), is amended to read as follows:

Section 549. A. The State Board of Corrections shall have the following powers and duties with respect to the operation of prison industries, the Construction Division, and administration of inmate trust funds:

1. The power to make leases or other contracts consistent with the operation of prison industries, and to set aside land or facilities for the use of such industry;

2. The power to establish conditions for expenditures by the Department of Corrections from the Industries Revolving Fund;

3. The power to negotiate wages and working conditions on behalf of prisoners working in prison industries or prisoners working in the Construction Division. Pay grades for the Construction Division “on-the-job training” inmate crews shall be as follows:

a. Pay Grade “A” - Inmate Worker,

b. Pay Grade “B” - Inmate Worker,

c. Pay Grade "C" - Apprentice,

d. Pay Grade "D" - Skilled Craft;

4. The power to collect wages and other receipted funds on behalf of the inmate, to apportion inmate wages and funds in accordance with the law; and the duty to preserve those wages and funds reserved for the inmate in an account for his or her benefit, and to establish procedures by which the inmate can draw funds from this account under the conditions and limitations and for the purposes allowed by law;

5. The duty to establish the percentages of such wages and other receipted funds which shall be available for apportionment to inmate savings; to the inmate for his or her personal use; to the lawful dependents of the inmate, if any; to the victim of the inmate's crime; for payment of creditors; for payment of costs and expenses for criminal actions against such inmate; and to the Department of Corrections for costs of incarceration. Provided, that not less than twenty percent (20%) of such wages and funds shall be placed in an account, and shall be payable to the prisoner upon his or her discharge ~~or upon assignment to a prerelease program~~. Funds from this account may be used by the inmate for fees or costs in filing a civil or criminal action as defined in Section 151 et seq. of Title 28 of the Oklahoma Statutes or for federal action as defined in Section 1911 et seq. of Title 28 of the United States Code, 28 U.S.C., Section 1911 et seq.; and

6. The power to invest funds held by the Department of Corrections on behalf of each inmate in an interest-bearing account with the interest accruing and payable to the Crime Victims Compensation Fund, as provided in Section 142.17 of Title 21 of the Oklahoma Statutes. The interest from each inmate's savings account shall be payable to the Crime Victims Compensation Fund, at such intervals as may be determined by the Board, in addition to any other payments to such fund required by the inmate's sentence or

otherwise by law. An inmate shall not have the right, use or control of any interest derived from any funds placed in a mandatory savings account.

B. The State Board of Corrections shall cause to be placed in an account income from the inmate's employment and any other income or benefits accruing to or payable to and for the benefit of said inmate, including any workers' compensation or Social Security benefits.

1. From this account the State Board of Corrections may charge for costs of incarceration any inmate working in private prison industries or any other inmate for costs of incarceration not to exceed fifty percent (50%) of any deposits made to said account, unless said deposits were from a workers' compensation benefit.

2. From this account, the State Board of Corrections may charge any inmate for costs of incarceration, an amount equivalent to one hundred percent (100%) of any deposits from a workers' compensation benefit to said account.

3. The Department of Corrections shall pay into the Crime Victims Compensation Revolving Fund, Section 142.17 of Title 21 of the Oklahoma Statutes, an amount equal to five percent (5%) of the gross wages earned by inmates working in a private prison industries program, said amount to be paid from the amount deducted for cost of incarceration.

4. Withdrawals and deposits shall be made according to rules and regulations established by the State Board of Corrections.

C. The Department of Corrections may assess costs of incarceration against all inmates beginning on September 1, 1992. Such costs shall be a debt of the inmate owed to the Department of Corrections and may be collected as provided by law for collection of any other civil debt. In addition to the provisions of this section authorizing expenditure of inmate trust funds for costs of

incarceration, any monies received for costs of incarceration shall be deposited in the Department of Corrections Revolving Fund.

SECTION 4. AMENDATORY 57 O.S. 2001, Section 549.1, as amended by Section 1, Chapter 59, O.S.L. 2003 (57 O.S. Supp. 2005, Section 549.1), is amended to read as follows:

Section 549.1 A. The Department of Corrections is authorized to purchase in the manner prescribed by law, facilities, equipment, raw materials and supplies, and to engage the supervisory personnel necessary to establish and maintain for this state at the penal institutions, now or hereafter under the control of the State Board of Corrections, industries and agricultural programs for the utilization of services of prisoners in the manufacture or production of such articles or products as may be needed for the construction, operation, maintenance or use of any office, department, institution or agency supported in whole or in part by this state and the political subdivisions thereof.

B. All articles and services provided by the Department of Corrections in the state correctional institutions, and not required for use therein, shall be purchased as required by all offices, departments, institutions, agencies, counties, schools, colleges, universities, or political subdivisions or any agency thereof of this state which are supported in whole or in part by this state, if such article or service is the lowest and best bid, and no such article or product may be purchased by any such office, department, institution, agency, county, school, college, university, or political subdivisions or agency thereof from any other source unless excepted from the provisions as hereinafter provided. Purchases made by the above-described state agencies may be made by submitting the proper requisition through the Office of Public Affairs or by direct order to the prison industries program of the Department of Corrections.

C. If a requisition is received by the ~~Office of Public Affairs~~ Department of Central Services or a direct order is received by the Prison Industries Program of the Department of Corrections from a state agency for any product or service provided by the Department of Corrections and such product or service is also available from a severely handicapped person or a qualified nonprofit agency for the severely handicapped as provided in Sections 3001 et seq. of Title 74 of the Oklahoma Statutes at a comparable price, then the product or service shall be purchased from such severely handicapped person or qualified nonprofit agency for the severely handicapped. If the product or service is not available within the time period required by the purchasing state agency, then such product or service shall be purchased from the Department of Corrections under the provisions of this section.

D. All offices, departments, institutions, agencies, counties, cities, districts or political subdivisions, schools, colleges, or universities, or any agency thereof, or any agencies of this state, which are supported in whole or in part by this state, may purchase the goods or services produced by the prison industries of the Department of Corrections through their properly authorized purchasing authority, or they may place a direct order without competitive bid, with the prison industries of the Oklahoma Department of Corrections.

E. Not-for-profit corporations or charitable agencies chartered in Oklahoma or other states may purchase such goods and services. Units of the federal government and units of government in other states may also purchase such goods and services. All entities which contract with the state, its political units, its agencies, its public institutions, not-for-profit corporations or charitable agencies chartered in Oklahoma may purchase goods or services from the Department of Corrections which are used in the performance of such contracts. Any church located in the State of Oklahoma may

also purchase goods and services produced by the prison industries of the Department of Corrections. Nothing shall prohibit the Department from bidding on portions of a state contract which are subcontracted by the primary contractor.

F. Others are prohibited from purchasing such goods and services, with the exception that all surplus agricultural products may be sold on the open market or bartered and exchanged for other food, feed or seed products of comparable value. The Department of Corrections shall keep complete and accurate records of any such barters or exchanges in such form and manner as the Office of Public Affairs may prescribe. A copy of such records shall be filed with the ~~Office of Public Affairs~~ Department of Central Services no later than March 1 of each year for all barters or exchanges occurring in the previous calendar year.

G. Products manufactured by the Department of Corrections shall be of styles, patterns, designs and quantities specified by the Department of Corrections except where the same have been or may be specified by the ~~Office of Public Affairs~~ Department of Central Services. Products shall be provided at a fair market price for comparable quality.

H. State agencies shall make maximum utilization of such products and no similar products shall be purchased by state agencies from any other source than the Department of Corrections except as provided in subsection C of this section, unless the Department of Corrections certifies to the Central Purchasing Director that it is not able to provide products, and no claim therefor shall be paid without such certification.

I. Exceptions from the mandatory provisions hereof may be made in any case where, in the opinion of the ~~Office of Public Affairs~~ Department of Central Services, the article or product does not meet the reasonable requirements of or for such offices, departments, institutions or agencies, or in any case where the requisitions made

cannot be reasonably complied with. No such offices, departments, institutions or agencies, shall be allowed to evade the intent and meaning of this section by slight variations from standards adopted by the ~~Office of Public Affairs~~ Department of Central Services, when the articles, services or products produced or manufactured by the Oklahoma Department of Corrections, in accordance with established standards, are reasonably adapted to the actual needs of such offices, departments, institutions or agencies.

J. In the event of disagreement between the Department of Corrections and the Central Purchasing Director on fairness of price, ability to comply to specifications, reasonableness of specifications and timeliness of delivery of products the matter will be resolved by the Central Purchasing Director ~~of Public Affairs~~.

K. The ~~Office of Public Affairs~~ Department of Central Services shall cooperate with the Department of Corrections in seeking to promote for use in state agencies and by all other eligible customers, the products manufactured and services provided by the prison industries.

L. The Department of Corrections shall prepare catalogs containing the description of all goods and services provided, with the pricing of each item. Copies of such catalog shall be sent by the Department of Corrections to all offices, departments, institutions and agencies of this state, and shall be available for distribution to all other eligible customers.

SECTION 5. AMENDATORY 57 O.S. 2001, Section 561.1, as last amended by Section 47, Chapter 3, O.S.L. 2003 (57 O.S. Supp. 2005, Section 561.1), is amended to read as follows:

Section 561.1 A. Prior to entering into a contract with any private prison contractor for construction or operation, or both, of a correctional facility, the Department of Corrections shall establish a process for requesting proposals or negotiated contracts

from such contractors. The Department of Corrections shall develop criteria for the process by which a contractor for the construction or operation, or both, of a private prison is to be awarded a contract. The criteria shall be subject to approval by the Board of Corrections. The criteria for selection of a site for a proposed facility to be constructed or operated, or both, by a private contractor shall include, but shall not be limited to, the availability of medical services, support services, transportation services and the availability of potential employees who would be qualified to perform required functions at a state correctional facility.

B. Any contract between the Department of Corrections and a private prison contractor, whereby the contractor provides for the housing, care, and control of inmates in a nondepartmental facility operated by the contractor, shall contain, in addition to other provisions, terms and conditions:

1. Requiring the contractor to provide said services in a facility which meets accreditation standards established by the American Corrections Association;

2. Requiring the contractor to receive accreditation for said facility from the American Corrections Association, within three (3) years of commencement of operations of the facility;

3. Requiring the contractor to obtain written authorization from the governing board of any municipality in which the facility is to be located, or if the facility is not to be located within a municipality, written authorization from the board of county commissioners of the county in which the facility is to be located; and

4. Granting the Department the option at the beginning of each fiscal year pursuant to an agreement, to purchase any such facility, with or without inventory or other personal property, at a predetermined price, which shall be negotiated and included in a

schedule or a formula to be contained in the original agreement. Such agreements relating to a correctional facility, the construction of which was financed or is to be financed by obligations issued from a local governmental entity the repayment of which is to be made in whole or in part from rentals from the State of Oklahoma or the Department of Corrections, shall be submitted to the Oklahoma Bond Oversight Commissions as provided in subsection I of this section.

C. A contractor proposing to enter a contract with the Department of Corrections for construction or operation, or both, of a correctional facility pursuant to this section must demonstrate:

1. The qualifications and the operations and management experience to carry out the terms of the contract; and

2. The ability to comply with the standards of the American Correctional Association and with specific court orders.

D. In addition to meeting the requirements specified in the requests for proposals, a proposal for the construction and operation of a correctional facility must:

1. Provide for regular, on-site monitoring by the Department of Corrections;

2. Acknowledge that payment by the state is subject to the availability of appropriations;

3. Provide for payment of a maximum amount per fiscal year;

4. Demonstrate a cost benefit to the State of Oklahoma when compared to the level and quality of programs provided by state-operated facilities that have similar types of inmates at an operational cost not more than the cost of housing inmates in similar facilities and providing similar programs to those types of inmates in state-operated facilities. The Department of Corrections shall be responsible for determining the cost/benefit of the proposal;

5. Permit the state to terminate the contract for cause;

6. Contain a proposed per diem operational cost per inmate for the initial year and subsequent years of operations;

7. Subject to appropriations, provide that cost adjustments may be made only once each fiscal year, to take effect at the beginning of the next fiscal year using as the maximum percentage increase, if any, an increase not to exceed the previous year's Consumer Price Index for All Urban Consumers (CPI-U) as prepared by the United States Bureau of Labor Statistics;

8. Have an initial contract term of not more than one (1) year, with an option to renew for additional periods not to exceed twenty (20) years;

9. If the proposal includes construction of a facility, contain a performance bond approved by the Department that is adequate and appropriate for the proposed contract;

10. Provide for assumption of liability by the private vendor for all claims arising from the services performed under the contract by the private vendor;

11. Provide for an adequate plan of insurance for the private vendor and its officers, guards, employees, and agents against all claims, including claims based on violations of civil rights arising from the services performed under the contract by the private vendor;

12. Provide for an adequate plan of insurance to protect the state against all claims arising from the services performed under the contract by the private vendor and to protect the state from actions by a third party against the private vendor, its officer, guards, employees, and agents as a result of the contract;

13. Provide plans for the purchase and assumption of operations by the state in the event of the bankruptcy of the private vendor; and

14. Contain comprehensive standards for conditions of confinement.

E. ~~As of the end~~ At the beginning of each fiscal year, the Department of Corrections shall determine the budgeted average daily cost per inmate. There shall be a separate computation of budgeted average daily cost for maximum security, medium security, minimum security, and community facilities. This information shall be presented to the State Board of Corrections for informational purposes only. After the close of each fiscal year, the Department shall determine the actual average daily cost per inmate for the operational costs at each major category of correctional facility. There shall be a separate computation of the average daily rate for maximum security, medium security, minimum security, and ~~work center~~ community facilities. The Department ~~of Corrections~~ shall present ~~the daily rate computations~~ to the Board of Corrections~~. The Board of Corrections~~ at its January meeting comparative data on budgeted daily cost versus actual daily cost, and, after appropriate review and analysis, the Board shall adopt as a final action of the Board~~, at its regularly scheduled meeting in the month of August,~~ an average daily ~~rate~~ cost per inmate by facility category for the immediately preceding fiscal year.

F. If a request for proposal process is utilized and no proposals conform to the established criteria, the Department shall prepare an additional request for proposals. The Department of Corrections shall evaluate the proposals within thirty (30) days of receipt from the prospective contractor. The Department of Corrections shall specifically determine whether a proposal meets the requirements of paragraph 4 of subsection D of this section by comparing the daily rate for housing and care of inmates pursuant to any proposed contract with a private contractor to the daily rate for housing and care of inmates at the comparable type of facility operated by the Department of Corrections using the information provided pursuant to paragraph 6 of subsection D of this section. The Department shall evaluate proposals taking into account any

direct or indirect costs that would continue to be paid by the Department of Corrections including, but not limited to, transportation, records management, discipline, general administration, management of inmate trust funds, and major medical coverage. Such costs shall be added to the proposed per diem of the private vendor when comparing the total per diem costs of the state operating facilities.

G. If the Department of Corrections proposes to enter into a contract for the construction or the operation, or both, of a private prison, the Department shall compare both the capital costs and the operating costs for the facility to the imputed capital costs and the projected operating costs of a comparable facility constructed and operated by the Department of Corrections.

H. The Department of Corrections shall deliver to the Board of Corrections the top three qualified prospective private prison contractors identified pursuant to this section and pursuant to Section 561 of this title together with the information reviewed and analyzed by the Department of Corrections during analysis of the proposals as required by this section. The Board of Corrections shall evaluate the information provided and shall make a final decision selecting the contractor within fifteen (15) days of receipt of the information.

I. Any contract subject to the provisions of this section entered into by the Board of Corrections shall be subject to the approval of the Legislative and Executive Bond Oversight Commissions in the same manner as provided by law for the review of issuance of obligations by State Governmental Entities as prescribed by Section 695.8 of Title 62 of the Oklahoma Statutes.

J. Before submission of the proposed contract to the Legislative and Executive Bond Oversight Commissions, and prior to the date as of which the proposed contract is executed by the Board of Corrections, the Attorney General and the Director of the

Department of Central Services shall review the proposed final version of the contract. The Attorney General and the Director of the Department of Central Services shall have a period of fifteen (15) days from receipt of the proposed final version of the contract to approve the contract and execute the document. If either the Attorney General or the Director of the Department of Central Services has objections to the proposed contract, the objections shall be communicated in writing to the Department of Corrections. The Department of Corrections shall take appropriate action regarding the objections and shall resubmit the proposed contract for additional review. The Attorney General and the Department of Central Services shall have an additional fifteen-day period to approve the proposed contract and to execute the document. Failure of the Attorney General or the Director of the Department of Central Services, respectively, to act within the fifteen-day period shall constitute approval of the respective official to the proposed final version of the contract. The contract shall contain a separate signature block or line for signature by the Attorney General and the Department of Central Services. The contract shall contain a statement to be executed by the Attorney General and the Director of the Department of Central Services that each one of them, respectively, has reviewed the proposed contract for compliance with the provisions of this section and Section 561 of this title, and all other applicable provisions of law and that the contract conforms with those requirements. Neither the private prison contractor nor the Board of Corrections shall execute the contract until the document has been executed by the Attorney General and the Director of the Department of Central Services as required by this subsection unless the approval of the respective official has been made as a result of failure to take action within the fifteen-day period prescribed by this subsection.

SECTION 6. AMENDATORY 57 O.S. 2001, Section 563.3, as amended by Section 2, Chapter 476, O.S.L. 2005 (57 O.S. Supp. 2005, Section 563.3), is amended to read as follows:

Section 563.3 A. A private prison contractor which does not have a contract with the Department of Corrections, but which houses federal inmates or inmates of another state, within two (2) months of commencing operations and thereafter as required by the Department of Corrections, shall:

1. Obtain from the Department of Corrections approval of all emergency response plans and the internal and perimeter security of the facility of the private prison contractor. All emergency plans for the private prison facility shall be approved by the Department of Corrections annually on July 1 and within thirty (30) days of any subsequent change or modification to any plan. Such approval shall be given only if the Director of the Department of Corrections determines that the security and emergency response plan are adequate to protect the public;

2. Show, to the satisfaction of the Department of Corrections, that adequate food, housing and medical care shall be available for inmates, that the facility will have the necessary qualified personnel to operate the facility, that the financial condition of the private prison contractor is such that the facility can be operated adequately, and that the facility has the ability to comply with applicable court orders and American Correctional Association standards;

3. Furnish to the Department of Corrections satisfactory proof that the private prison contractor has obtained insurance or is self-insured, in such a manner and in such an amount as the Director of the Department of Corrections, after consulting with the Risk Management Administration, may deem necessary and adequate to reimburse this state or a political subdivision of this state, for expenses arising from any incident which occurs at said prison or

which requires intervention by this state or a political subdivision of this state. Such insurance, in addition, shall be in an amount sufficient to indemnify this state and its officers and employees, for any liability or other loss, including property damage, judgments, costs, ~~attorneys~~ attorney fees or other expenses arising from the operation of the facility, and such facility shall in any event and regardless of the amount of insurance available indemnify and hold harmless this state and its officers and employees, for any and all acts of prison inmates, and/or all officers, employees and stockholders of such private prison contractor for any liability arising out of acts of said inmates, officers, employees and stockholders of such private prison contractor in relation to the operation of the facility. The insurance required by this paragraph shall not provide coverage for more than one facility. If the private prison contractor owns or operates more than one facility, separate insurance coverage shall be obtained or provided for each facility;

4. Obtain written authorization from the governing board of any municipality in which the facility is to be located, or if the facility is not to be located within a municipality, written authorization from the board of county commissioners of the county in which the facility is to be located; and

5. Require and obtain a felony record search of fingerprints of every employee or prospective employee of the private prison contractor. The search shall be based on fingerprints and shall be conducted either by the Federal Bureau of Investigation or the Oklahoma State Bureau of Investigation. If the search is conducted by the Oklahoma State Bureau of Investigation, the Bureau shall require the person to pay a search fee not to exceed Fifty Dollars ($50.00) or the cost of the search, whichever is the lesser amount. The fees shall be deposited in the OSBI Revolving Fund. The private prison contractor is hereby authorized to reimburse employees for

the cost of the search. The Oklahoma State Bureau of Investigation may contact the Federal Bureau of Investigation as regards the information requested, to obtain any felony convictions of the person involved. The record required by this paragraph shall include the name of the person, whether or not said person has been convicted of any felony offense, a list of any felony convictions, and the dates of such convictions. The search records of each employee shall be maintained by the contractor for as long as the employee works for the contractor. The records shall be subject to inspection by the Department of Corrections.

B. A private prison contractor which does not have a contract with the Department of Corrections, but which houses federal inmates or inmates of another state shall attain accreditation by the American Correctional Association within three (3) years of commencing operation of the facility and thereafter shall maintain such accreditation.

C. The Department of Corrections shall monitor the performance of the private prison contractor and the continued compliance of the private prison contractor with the provisions of subsections A and B of this section. If at any time after commencing operations, a private prison contractor, that is subject to the provisions of subsection A of this section, fails to comply with any of said provisions, the Director of the Department of Corrections may order the facility to cease operations. If a private prison contractor fails to attain or maintain the accreditation required by subsection B of this section, the Director of the Department of Corrections shall order the facility <u>to take corrective action pursuant to the Department of Corrections monitoring plan and, if corrective action is not pursued with due diligence, shall order the facility</u> to cease operations. This order may be enforced by injunction issued by a district court of this state.

D. The Department of Corrections may charge the private prison contractor a reasonable fee for <u>any services provided by the Department staff to include, but not limited to, the costs of</u> monitoring compliance with the provisions of paragraphs 1 and 2 of subsection A of this section. The fee shall not exceed the cost incurred in performing the monitoring.

E. The Department of Corrections shall promulgate and adopt rules for the implementation of this section.

F. All fees collected by the Department of Corrections pursuant to this section shall be deposited with the State Treasurer to the credit of the Department of Corrections Revolving Fund.

SECTION 7. This act shall become effective July 1, 2006.

SECTION 8. 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 10th day of April, 2006.

_____
Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2006.

_____
Presiding Officer of the Senate