

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 1964

By: Corn of the Senate

and

6 Cooksey of the House
7
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9 COMMITTEE SUBSTITUTE

10 An Act relating to prisons and reformatories;
11 amending 57 O.S. 2001, Sections 513, 513.1, as
12 amended by Section 6, Chapter 294, O.S.L. 2006, 537
13 and 549, as last amended by Section 8, Chapter 294,
14 O.S.L. 2006 (57 O.S. Supp. 2007, Sections 513.1 and
15 549), which relate to the Oklahoma Corrections Act of
16 1967; updating language; clarifying procedure for
17 disbursement of funds to discharged prisoners;
18 deleting petty cash fund amounts for specified
19 facilities; creating certain fund; authorizing
20 certain persons to limit the amount for the petty
21 cash fund; prescribing rules and procedures for use
22 of certain fund; requiring development of written
23 policies for petty cash disbursements; clarifying
24 duties of certain Board; providing for the
establishment of canteen operations at correctional
facilities; modifying procedures for canteen
operations; requiring disbursements be made by
vouchers and payable through certain entity;
providing procedure for disposal of records;
modifying accounting procedures; making certain
purchases exempt from The Oklahoma Central Purchasing
Act; directing profits be used for certain purpose;
creating the Department of Corrections Inmate and
Employee Welfare and Canteen System Support Revolving
Fund; stating purpose of fund; stating expenditure
requirements; providing for transfer of certain cash
balances; providing for deposit of profits into
certain fund; clarifying canteen procedures for

1 disbursements; modifying duties of the State Board of
2 Corrections; authorizing investment of certain funds;
3 providing procedures for inmate interest-bearing
4 savings accounts; requiring approval for transferring
5 certain funds; requiring implementation of rules and
6 procedures for certain accounts and transfer of
7 funds; providing for codification; and providing an
8 effective date.

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

10 SECTION 1. AMENDATORY 57 O.S. 2001, Section 513, is
11 amended to read as follows:

12 Section 513. A. When any prisoner shall be discharged from the
13 institution, the warden or superintendent shall furnish ~~him~~ the
14 prisoner with proper and necessary clothing and a railroad or bus
15 ticket to ~~his~~ the home community of the prisoner within the State of
16 Oklahoma, if it is not in the county in which the institution is
17 located; and if ~~his~~ the home community of the prisoner is outside
18 the State of Oklahoma, the warden or superintendent may furnish the
19 necessary tickets to ~~his~~ the home community of the prisoner or the
20 county in which the sentence was imposed; and if ~~he~~ the inmate trust
21 account of the prisoner does not have at least a credit balance of
22 Fifty Dollars (\$50.00) to his credit, the warden ~~or~~ superintendent
23 or Chief Financial Officer may furnish such additional sum from the
24 petty cash fund as will afford ~~him~~ the prisoner Fifty Dollars
(\$50.00).

1 B. Funds necessary to provide said clothing, transportation and
2 Fifty Dollars (\$50.00) allowed in subsection A of this section shall
3 be drawn from a petty cash fund ~~to be established at each~~
4 ~~institution of~~ by the Oklahoma Department of Corrections pursuant to
5 Section 513.1 of this title. ~~Said petty cash fund shall be governed~~
6 ~~by the rules and regulations established by the Oklahoma State~~
7 ~~Budget Office.~~

8 SECTION 2. AMENDATORY 57 O.S. 2001, Section 513.1, as
9 amended by Section 6, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007,
10 Section 513.1), is amended to read as follows:

11 Section 513.1 ~~Maximum amounts in petty cash funds.~~

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

	Maximum Amount
16 Department of Corrections	\$1,000.00
17 Jim E. Hamilton Correctional Center (Hodgen)	\$2,000.00
18 Mack H. Alford Correctional Center	\$2,500.00
19 Howard C. McLeod Correctional Center (Farris)	\$2,000.00
20 Lexington Assessment and Reception Center	\$2,500.00
21 Oklahoma State Penitentiary (McAlester)	\$8,000.00
22 Oklahoma State Reformatory (Granite)	\$3,000.00
23 R.B. "Dick" Conner Correctional Center (Hominy)	\$3,000.00
24 Joe Harp Correctional Center (Lexington)	\$3,000.00

1	Jess Dunn Correctional Center (Taft)	\$3,500.00
2	James Crabtree Correctional Center (Helena)	\$2,000.00
3	Mabel Bassett Correctional Center (Oklahoma City)	\$2,000.00
4	John Lilley Correctional Center (Boley)	\$2,000.00
5	Oklahoma City Community Corrections Center	\$2,000.00
6	Clara Waters Community Corrections Center	
7	(Oklahoma City)	\$2,000.00
8	Kate Barnard Community Corrections Center	
9	(Oklahoma City)	\$2,000.00
10	Tulsa Community Corrections Center	\$2,000.00
11	Muskogee Community Corrections Center	\$2,000.00
12	Lawton Community Corrections Center	\$2,000.00
13	Enid Community Corrections Center	\$2,000.00
14	Union City Community Corrections Center	\$2,000.00
15	Jackie Brannon Correctional Center	\$3,000.00
16	William S. Key Correctional Center (Fort Supply)	\$3,000.00
17	Dr. Eddie Walter Warrior Correctional Center	
18	(Taft)	\$3,000.00
19	Northeast Oklahoma Correctional Center (Vinita)	\$3,000.00
20	Charles E. "Bill" Johnson Correctional Center	\$3,000.00

21 To satisfy the requirements of subsections A and B of Section
22 513 of this title, and to timely acquire goods and services that
23 cannot be secured through normal purchasing and invoice processes,
24 there is hereby created a petty cash fund within the Department of

1 Corrections. The Director of State Finance and the Director of the
2 Department of Corrections are authorized to fix the maximum amount
3 of the petty cash fund, and the Director of State Finance shall
4 prescribe the rules and procedures for the administration of the
5 petty cash fund. The Department of Corrections is directed to
6 develop a written policy to specify which units, facilities and
7 institutions within the Department are authorized to make
8 disbursements from the petty cash fund.

9 SECTION 3. AMENDATORY 57 O.S. 2001, Section 537, is
10 amended to read as follows:

11 Section 537. A. There shall be established a Canteen System
12 Board of Directors for all canteen system services operated within
13 the Department of Corrections. The members of the Canteen System
14 Board shall be appointed by the Director of the Department of
15 Corrections. All canteen system operations shall be under the
16 control of the Canteen System Board and shall operate pursuant to
17 written guidelines established by the Board. The overall canteen
18 operation composed of all correctional facility canteen operations,
19 inmate telephone systems and inmate electronic mail systems shall be
20 collectively called the Canteen System and such system shall be
21 required to be self-supporting from sales receipts.

22 B. Each correctional facility may have a canteen system
23 operation. ~~The directors of each~~ Each facility canteen system when
24 established shall be the facility head and two directors appointed

1 ~~by the facility head~~ require the warden of such facility or a
2 designee to oversee the day-to-day canteen system operations
3 according to the guidelines set by the Canteen System Board. The
4 ~~business manager~~ Chief Financial Officer of the Department shall act
5 as custodian of all canteen system funds and be responsible for all
6 expenditures from the canteen system accounts. The Chief Financial
7 Officer shall make daily deposits of ~~each~~ all sales receipts in ~~an~~
8 ~~agency special account approved by the Special Agency Account Board~~
9 the canteen system accounts. ~~Canteen funds may~~ system profits
10 generated by items or services for resale shall be identified
11 monthly by the Chief Financial Officer and transferred periodically
12 ~~from one the canteen fund special system account to another canteen~~
13 ~~fund special account upon an affirmative vote by the Board of~~
14 ~~Directors.~~ ~~All disbursements made from the account shall be by~~
15 ~~voucher signed by two of the directors of the canteen~~ the Department
16 of Corrections Inmate and Employee Welfare and Canteen System
17 Support Revolving Fund. All disbursements made from the canteen
18 system account shall be by voucher approved by the Chief Financial
19 Officer and shall be payable through the Office of the State
20 Treasurer. Documentation of each disbursement shall be kept on
21 ~~permanent file at each institution~~ by the Department. ~~Accounting~~
22 Canteen system records may be disposed of in accordance with the
23 records disposition schedule approved by the Archives and Records
24 Commission. The Department shall notify the State Records

1 Administrator thirty (30) days in advance of its intent to dispose
2 of any canteen records. The Department shall follow accounting
3 procedures in accordance with state fiscal accounting procedures
4 ~~shall be followed~~ in administering canteen system funds. All
5 profits from the canteen ~~operations~~ system shall be used exclusively
6 for the benefit of the inmates of the various institutions and
7 personnel of the Department of Corrections and support of canteen
8 system operations as determined by the ~~canteen~~ Canteen System Board
9 of Directors pursuant to subsection A of this section.

10 C. Employees utilized in the operation of the canteen services
11 at each institution shall be state employees. Inmates may work in
12 ~~the a correctional facility canteen operations.~~ Reimbursement and
13 shall receive reimbursement for ~~said~~ such work ~~shall be accomplished~~
14 through the institution incentive pay program.

15 D. ~~The operations of the~~ All correctional facilities canteen
16 ~~service~~ system operations and canteen system accounts shall be ~~the~~
17 subject ~~of~~ to an annual audit by the Office of the State Auditor and
18 Inspector. Reports of the audit shall be provided to the Governor,
19 the Speaker of the House of Representatives, the President Pro
20 Tempore of the Senate, the Legislative Service Bureau, the
21 Department of Corrections, and to the warden of the concerned
22 institution.

23 E. Merchandise and services to be purchased for resale
24 ~~purchased and sold~~ or distribution through ~~a correctional~~

1 ~~facilities' the canteen as established in this section system,~~
2 inmate telephone equipment or services, and inmate electronic mail
3 equipment and services shall be purchased by voucher drawn against
4 canteen system accounts and all such purchases of goods and services
5 shall be exempted from the provisions of The Oklahoma Central
6 Purchasing Act. All revenues from canteen operations, inmate
7 telephone system services and inmate electronic mail system
8 operations shall be used exclusively for the benefit of the inmates
9 of the various institutions and personnel of the Department of
10 Corrections as determined by the Canteen System Board of Directors.

11 SECTION 4. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 537.1 of Title 57, unless there
13 is created a duplication in numbering, reads as follows:

14 A. There is hereby created in the State Treasury a revolving
15 fund for the Department of Corrections to be designated the
16 "Department of Corrections Inmate and Employee Welfare and Canteen
17 System Support Revolving Fund". The fund shall be a continuing
18 fund, not subject to fiscal year limitations, and shall consist of
19 all profits generated from the canteen system, any inmate telephone
20 system and any inmate electronic mail system. All monies accruing
21 to the credit of the fund are hereby appropriated and may be
22 budgeted and expended by the Department of Corrections and the
23 Canteen System Board of Directors for the benefit of inmates of the
24 various institutions and personnel of the Department and to support

1 canteen system operations according to written Department policy,
2 welfare budget limitations, and upon approval of the Canteen System
3 Board. Expenditures from the fund shall be made upon warrants
4 issued by the State Treasurer against claims filed as prescribed by
5 law with the Director of State Finance for approval and payment.
6 All expenditures from this fund shall comply with the applicable
7 provisions of The Oklahoma Central Purchasing Act, unless
8 specifically exempted by subsection E of Section 537 of Title 57 of
9 the Oklahoma Statutes.

10 B. All cash balances credited to the various Department canteen
11 fund accounts that were previously budgeted and approved for inmate
12 and staff welfare expenditures prior to November 1, 2008, but are
13 not encumbered or expended as of June 30, 2008, shall be transferred
14 to the Department of Corrections Inmate and Employee Welfare and
15 Canteen System Support Revolving Fund upon implementation of the
16 Department of Corrections consolidated canteen, trust and
17 restitution accounting system. Effective November 1, 2008, profits
18 generated from the canteen system, any inmate telephone systems, and
19 any inmate electronic mail systems shall be identified and deposited
20 in the Department of Corrections Inmate and Employee Welfare and
21 Canteen System Support Revolving Fund.

22 SECTION 5. AMENDATORY 57 O.S. 2001, Section 549, as last
23 amended by Section 8, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007,
24 Section 549), is amended to read as follows:

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

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

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

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

- 15 a. Pay Grade "A" - Inmate Worker,
- 16 b. Pay Grade "B" - Inmate Worker,
- 17 c. Pay Grade "C" - Apprentice,
- 18 d. Pay Grade "D" - Skilled Craft;

19 4. The power to collect wages and other receipted funds on
20 behalf of the inmate, to apportion inmate wages and funds in
21 accordance with the law; and the duty to preserve those wages and
22 funds reserved for the inmate in an account for his or her benefit,
23 and to establish procedures by which the inmate can draw funds from
24

1 this account under the conditions and limitations and for the
2 purposes allowed by law;

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

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

1 inmate's sentence or otherwise by law. An inmate shall not have the
2 right, use or control of any interest derived from any funds placed
3 in a mandatory savings account; and

4 7. The power to invest funds held by the Department of
5 Corrections on behalf of each inmate in a commingled offender
6 interest-bearing account held by the Office of the State Treasurer.

7 The State Treasurer shall post interest to this account monthly.

8 The Department of Corrections, at such intervals as may be

9 determined by the Board, will credit interest to the inmate based on

10 the pro rata account balance of the inmate. Deposits into the

11 inmate interest-bearing account will only be allowed when the trust

12 fund draw account of the inmate has a balance in excess of One

13 Hundred Dollars (\$100.00). Inmate mandatory savings account

14 balances will not be used to determine the eligibility of the inmate

15 to participate in the interest-bearing savings account. Inmates who

16 participate in the interest-bearing account will only be allowed to

17 transfer funds from their interest-bearing account to their draw

18 account once every ninety (90) days. All inmate transfers from the

19 interest-bearing account of the inmate to the draw account of the

20 inmate must be approved by appropriate Department staff prior to

21 transfer. All transfers of funds from an inmate interest-bearing

22 account to external recipients must be reviewed and approved by

23 appropriate Department staff prior to transfer. The Department will

1 define in policy those rules and procedures that govern inmate
2 interest-bearing account deposits and funds transfers.

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

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

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

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

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

1 C. The Department of Corrections may assess costs of
2 incarceration against all inmates beginning on September 1, 1992.
3 Such costs shall be a debt of the inmate owed to the Department of
4 Corrections and may be collected as provided by law for collection
5 of any other civil debt. In addition to the provisions of this
6 section authorizing expenditure of inmate trust funds for costs of
7 incarceration, any monies received for costs of incarceration shall
8 be deposited in the Department of Corrections Revolving Fund.

9 SECTION 6. This act shall become effective November 1, 2008.

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